

GOVERNMENT OF INDIA

RECONSTRUCTION COMMITTEE OF COUNCIL



**RECORD OF THE SECOND MEETING
OF
POLICY COMMITTEE No. 3-A
ON TRANSPORT**

HELD AT NEW DELHI ON THE 29.30th OCTOBER, 1945

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SECOND MEETING OF POLICY COMMITTEE No. 3-A ON TRANSPORT.

MEMBERS PRESENT.

Representatives of the Government of India.

The Hon'ble Sir Edward Benthall, Member. War Transport.

The Hon'ble Sir Ardeshir Dalal, Member, Planning and Development.

The Hon'ble Dewan Bahadur Sir Ramaswami Mudaliar, Member, Supply.

The Hon'ble Sir Conrad Corfield, Political Adviser.

Sir Arthur Griffin, Chief Commissioner, Railways.

Mr. E. Conran-Smith, Secretary, War Transport Department.

Lieut.-General Sir Thomas Hutton, Secretary, Planning and Development Department.

Mr. Ram Chandra, Secretary, Defence Department.

Sir Kenneth Mitchell, Chief Controller of Road Transport and Development.

Mr. Narahari Rao, Additional Secretary, Finance Department.

Mr. G. S. Bhalja, Additional Secretary, War Department.

Mr. D. D. Warren, Joint Secretary, War Transport Department.

Mr. D. I. Muir, Joint Secretary, Defence Department.

Mr. M. K. Sen Gupta, Financial Adviser, Communications.

Mr. R. B. Elwin, Deputy Secretary, War Transport Department.

Bai Bahadur A. N. Khosla, Consulting Engineer (Waterways and Irrigation), Labour Department.

Mr. A. A. Brown, Director, Road-Rail Co-ordination, Railway Board.

Brigadier R. W. Macleod, Director of Military Operations.

Brigadier J. H. Wilkinson, Director of Resettlement.

Brigadier Jacques, E.-in-C.'s Branch.

Colonel A. G. C. Trollope, D. D. Movements (Rail).

Provincial Government Representatives.

Madras.

Mr. C. H. Masterman, Provincial Motor Transport Controller.

Mr. H. R. Dogra, Chief Engineer, Communications.

Bombay.

Mr. T. T. Kothavala, Provincial Motor Transport Controller.

Bengal.

Mr. B. Sarkar, Secretary, Communications and Works Department.

Punjab.

Mr. H. A. Harris, Chief Engineer.

Bihar.

Mr. A. E. Blewitt, Additional Secretary Political Department.

Mr. H. K. Nivas, Special Officer, Post-War Reconstruction.

Central Provinces and Berar.

Mr. E. V. A. Peers, Joint Secretary, Police Department.

North West Frontier Province.

Lieut.-Colonel Lang Anderson, Superintending Engineer.

Mr. A. Rashid, Deputy Provincial Motor Transport Controller.

Assam.

Mr. Devi Dayal, Chief Engineer.

Orissa.

The Hon'ble Mr. B. K. Gokhale, Adviser to H. E. the Governor.

Sind.

Mr. W. B. Calder, Superintending Engineer, Communications.

Mr. E. M. O'Flynn, Provincial Motor Transport Controller.

Representatives of Indian States.

The Hon'ble Nawab Zain Yar Jung Bahadur, Member, Public Works, Hyderabad.

Amir-ul-Umara Sir Manubhai Mehta, Minister, Foreign and Political, Gwalior.

Dr. P. S. Deshmukh, Dewas Junior.

Non-officials.

The Hon'ble Sir Bijoy Prasad Singh Roy.

Mr. D. R. Gadgil.

Mr. J. W. E. Berry.

Dr. N. Sanyal.

Mr. H. Campbell-Bannerman.

Mr. N. M. Chinoy.

Mr. K. Santhanam.

Mr. A. W. H. Dean.

Mr. P. G. Knott.

Mr. H. E. Ormerod.

Mr. P. R. Bhole.

Raj Bahadur Sant Ram.

RECORD OF DISCUSSIONS.

Chairman's Opening Speech.

Sir Edward Benthall, Chairman : It is just over nine months since this Committee met and during that time much has happened. Few of us present at the meeting in January can have been so optimistic as to expect that the war would so soon be over, and that at our next meeting we should be face to face with the immediate short-range post-war problems which for the moment outweigh in their urgency the execution of the long range plans which we have been preparing.

At our last meeting I endeavoured to outline to you the broad principles which governed our policy towards the co-ordination of all forms of transport. Since Roads and Road Transport are Provincial subjects, the functions of the Central Government must be confined over a wide section of the field to the sphere of co-ordination, so as to obtain the maximum reasonable uniformity on an all-India basis. There have, of course, also been difficulties in making progress in post-war planning, faced as we have been by problems of a very intricate nature which have had to be tackled simultaneously with urgent war problems at a time when we have been handicapped by a severe shortage of experienced staff. Nevertheless taking all these factors into consideration there is reason to believe that, thanks to the spirit of co-operation which has prevailed on all sides, progress has been as good in these matters as in any other sphere of forward planning.

It has been suggested in some quarters that at a time when elections are pending, to be followed, it is hoped, by a fresh development of popular Government, some of these are problems which might well be left to our successors. It seems to me, however, that we stand today at a point in the evolution of transport in India at which certain decisions have to be taken, and when a definite policy is necessary. Surplus army vehicles will soon be available for release, and possibly in large numbers; ex-service men trained to drive will be demobilised, also in large numbers; railways are already restoring some of their previous passenger services and are daily finding themselves better able to handle civil goods traffic; inland steamer companies are anxious to make their plans for the future; civil motor transport is being released from war works of various kinds; and all available new motor transport vehicles can now be appropriated to rehabilitation, by replacement of old vehicles, and to the extension of bus services badly needed; and finally it seems to me to be very necessary that we should reach agreement regarding the National Highways in order that we should all know where we stand in relation to the works on those Highways that can usefully be put in hand, as and when necessary in order to provide employment and to counter slump tendencies.

All these factors raise problems of immediate urgency and importance and it is not possible to separate the long and the short term aspects. In my opinion therefore it is our duty to the country and to our successors to deal with these problems now to the best of our ability, and to leave to our successors a coherent pattern of things being done to a definite plan, which they can amend at their leisure, rather than a heritage of indefinite policy resulting in problems which require their immediate attention as soon as they take office.

I am conscious that in one respect we have not made the progress which we desired. We ourselves and the Committee had in mind not only the development of roads and railways and of road-rail co-ordination but also the co-ordination of river service with road and rail transport and the bringing of air transport also into the complete picture. We have not been idle but,

apart from the circulation to you of certain details received from the Provinces regarding the development of waterways, we have not yet reached a stage in our examination of the problems with the parties concerned where we can usefully put concrete proposals and views before you, and I have set my face on this Committee against agenda which merely lead to airy discussion with no basis of solid fact. The revival of transport on decayed and decaying waterways is a long range question which is in the capable hands of the Central Waterways, Irrigation and Navigation Committee and we must await their conclusions. The co-ordination problems of today, in so far as they concern organized river steamer services, exist wholly in eastern India and very largely on those routes which were until recently the main lines of supply and communication to Assam and thence to Burma and China, and those concerned with rail and river transport on these routes have until recently been very fully engaged in vital war work, to the exclusion of other matters. We have, however, been collecting a mass of material and when this has been sifted—which we hope will be soon—we shall discuss the questions with the Provincial Governments within whose sphere the subject lies, and with the other parties interested, and shall place our views before you. In the meantime I must ask you to be patient a little longer.

You have before you a brief note on postwar railway construction plans, together with a map. The basic idea of railway construction will, as set out in the covering note, be the opening up of the country. As I pointed out at some length on the last occasion, the Provincial administrations are to a large extent in the best position to know their own requirements for development of their Provincial resources and the policy has been to govern railway development, apart from the strategic aspect, largely according to their requirements and in relation to the Provincial road development plan. So far as I am aware this is the first time when we have been able to take a comprehensive and co-ordinated view of transport development in India. The programme is not, of course, complete; we have not yet for instance considered and discussed the inland steamer aspect with those concerned; neither have we settled the programme with all the Provinces, nor reached any final conclusions about the priority of construction of new lines, although we have obtained the views of the Provinces. In view of the desirability of creating employment for men released from war work, the final priority may have to be largely governed by the ability of the railways to commence work on alignments already surveyed. We shall come to this item of railway development in the course of our discussions but my point at the moment is that considerable progress is being made and made on a proper basis of co-ordination.

As regards the ports, they were called upon during the war to deal with an immense and fluctuating volume of difficult traffic and stood up well to the test. Owing to development works undertaken during the war, the estimated capacity of the major ports has been increased from nineteen and three quarter million tons per year to nearly twenty five million tons, an increase of about 25 per cent. This is in terms of war-time capacity for handling mixed cargoes and the capacity for handling peace-time cargoes will be even greater. The present capacity of the major ports, the committee consider, should be adequate to handle the expected tonnage, which has been estimated at considerably more than the actual pre-war tonnages, next year and the immediately succeeding years. As the assumptions on which their conclusions regarding capacity were based might not be justified by future events the committee made certain recommendations relating to improvement schemes, which have been mentioned in the departmental note placed before you. I wish to invite your attention particularly to what the committee have stated

regarding the probable need for a deep sea port, or sheltered dock, on the East coast of India, capable of berthing large modern ships.

Turning now to the position of road and rail co-ordination you will recall that following our last discussions the matter was debated at length in the Central Assembly which, subject to clarification of the principles on which we proposed to invest railway finance in joint road-rail companies, approved the general policy then outlined. We were therefore able to approach the Provinces within whose sphere the administration of road transport lies with a coherent plan. As is perfectly natural the policy of different Provinces varies according to their circumstances and the divergence is wide. In accordance with our policy we have accommodated ourselves, as indeed we must, to the policies of the Provinces subject always to the insistence to the maximum of our ability on the principles to which we adhere. One Province, the Punjab, has decided against any substantial participation of railways in joint companies. We do not quarrel with their decision, although we still feel that in the long run our policy will prove to be the best. That of course remains to be seen and in the meanwhile we shall seek by other means to create the co-ordination at which we were aiming by our own policy. Elsewhere Provinces have, with important variations, generally accepted the broad policy and railway administrations are working out the scheme in collaboration with the Provinces. Progress has, as is natural, been variable. In some Provinces the formation of companies is going ahead smoothly and rapidly; in others a great many problems have to be solved between the Provincial authorities, the railway administrations, the road operators and the public. In my view these matters cannot be unduly hurried, and I would much sooner see foundations laid upon a sound business basis and on a sound public understanding of the problems and of the good intentions of the Central and Provincial Governments than on a hurried policy involving quantity rather than quality. When we come to this subject I shall be happy to give you fuller details of the state of affairs so far as we are informed, but it will be best perhaps to stick to wide principles rather than to discuss individual cases. For the latter we should indeed have to depend largely upon the information which Provincial representatives present can give us, since we are not in possession of all the local details in a matter which is within the competence of Provincial Governments.

Members of the Committee will have noticed that the developments in this matter in certain Provinces have been subjected to a running fire of criticism, particularly on behalf of the existing operators who fear loss of individual business profits without adequate compensation as shareholders or officers and employees in the new companies. The position of the Central Government in this matter is that they are anxious that railways should go into the road business in partnership with existing operators on reasonable terms, but that those terms cannot in reason take into account inflated gross earnings during a transport shortage. We have in general terms indicated to Provincial Governments the conditions which appear to us to be fair and reasonable for the investment of Central finance based on the discussions in this committee and in the Central Assembly. Beyond that we must leave detailed decisions to Provinces who have the executive authority and the responsibility in this matter, whose officers are in day to day touch with the existing operators, and whose own investment is in many cases at stake. On the whole the interests of the existing operators are being carefully respected. The public interest cannot be overruled in the interest of individual operators who have not been wholly satisfied with the terms offered or with

the selection of managers. Here, I think it salutary to remind those concerned that these companies will be substantial public utility concerns and that on their proper management will depend the efficiency of the services and the convenience of the travelling public as well as the security of the heavy investment of public money of the Central and Provincial Governments and, by no means least, of the investment of the existing operators themselves. It is satisfactory at least to be assured that in a number of cases operators have reached unanimous agreement with the Provincial Government and the Railways in respect of the selection of promoters and managers.

I now pass to clauses (a) to (c) of para. 2(3) of the conclusions reached at our last meeting. These points we endeavoured to cover in the "Code of Principle and Practice in the Regulation of Motor Transport" and its prefatory statement copies of which, in a printed pamphlet, were furnished to you before the meeting of the Transport Advisory Council. In the amended form in which it is now before you it represents the considered view of the Council. A large majority of Provincial representatives on the Council are prepared to recommend it to their Governments as it stands, while certain objections raised by three Provinces are in the main rather in the nature of modifications necessary to adjust it to Provincial policies, as in the case of the Punjab, than over matters of detail affecting the principles governing passenger and goods traffic. So far as I am aware this Code is an entirely novel departure in co-ordination of transport, designed to suit the particular constitutional and other circumstances of India, and it will be extremely interesting to see how it works out. We do not claim that the scheme is perfect any more than other aspects of our transport planning, but it represents a resolute attempt in collaboration with the Provinces to introduce effective co-ordination, the alternative to which is a drift back into unregulated competition. Further developments will be by evolution based on experience. Meanwhile we shall particularly value your comments upon this document.

As regards item (d) of para. 2(3) and para. 3 of our last conclusions we feel that at present we must be content to get along with the Departmental "Central Road Board" which has been constituted, with separate machinery for arbitration of disputes. Proposals for the latter have been made in the "Code" and on this the Transport Advisory Council have recorded their opinion which will now be considered by Provincial Governments. More permanent machinery as suggested in the prefatory statement will probably have to be devised as a detail, but an important detail, to be worked into the new constitution when it is framed.

In the matter of road development I think I can say that our long range plans are now nearly completed. The acceptance by the Central Government, subject to the approval of the Legislature and confirmation by the Provinces, of liability for the completion, improvement and maintenance in British India of the system of National Highways now delineated is part of our general scheme of financial aid to Provinces for development and land transport co-ordination, and carries with it the need for acceptance by Provinces of certain conditions which we think are reasonable and indeed consequential upon the acceptance by the Centre of the liability for the main highways of the country. What these conditions are is set out in the brief conclusions of the meeting of the Transport Advisory Council which are before you. As regards the parts of National Highways which are in Indian States, the Central Government do not feel justified in accepting any financial liability in the same way as in relation to Provinces. They trust that the States concerned will themselves provide and maintain these roads on adequate standards. They recognise, however, that in relation to some of the smaller States, whose

resources are not sufficient for constructing or maintaining up to a reasonable standard the stretches of a National Highway running through their territory, the problem would call for special consideration. It would be necessary to discuss individually with such States the extent and form of assistance necessary. We expect to take the matter up through the Political Department very shortly, and trust that it will ultimately be found possible to adopt the system now delineated throughout India as a complete system of National Highways developed and maintained to reasonable standards, in relation to the intensity of traffic on the different sections and, in due course, completely bridged throughout.

The immediate plan for road construction is a matter on which I speak with a strong sense of urgency. The Provincial plans for development of Provincial highways, district roads and village roads have now been generally completed on paper. It is, however, clear that the sudden end of the war and the commencement of demobilization will create problems of unemployment which must be countered by prompt action; and one means of countering them is the urgent construction of public works, of which roads will be an important item. Five months ago the Central Government anticipating this position offered Provincial Governments grants of 25 per cent. of the cost of any works in the Provincial field, which they proposed and the Central Government approved as suitable, to be put in hand as and when the need arose. These proposals are coming forward and we shall do everything in our power to help Provinces in their expeditious execution. It is clear that in the course of selecting works to be undertaken urgently for this particular purpose Provinces may be impelled to select schemes on major National or Provincial highways, because their magnitude and specifications render them particularly suitable for the purpose. At the same time, but without in any way delaying the commencement of these anti-slump works, we will have to watch against over-development of long distance highways to the neglect of the district and village roads to which every one I believe attaches the very greatest importance. The task will be a hard one and the chief obstacles seem likely to be the shortage of engineering subordinates and of road rollers. In regard to engineering subordinates the Central and Provincial Governments are doing their best to secure the early release of surplus staff from the Army for civil employ. Besides this some Provinces have initiated their own schemes for rapid training of staff.

As regards road rollers—and I may say in passing that we have not yet had notice of any serious immediate difficulties through lack of other types of plant—the Central Government are anxious and determined that manufacture shall be started in India, but the urgency of our needs will require substantial imports from abroad to start with. The position is this: it is estimated that to make up for war wastage and the lack of imports for six years, and to work up to the total requirement for road construction on a scale not hitherto undertaken, there is a demand for over 3,000 new power rollers to be supplied at the latest during the next three or four years. When this total has been made up the replacement market is estimated to be about 200 new rollers yearly, increasing to 400 as the large numbers, now to be provided more or less simultaneously, begin to wear out. Apart from the delays in starting manufacture, there are obvious difficulties and risks in the way of firms in India equipping themselves to manufacture against the short term demand at a rate of many times the production eventually necessary to meet the steady recurring market. In these circumstances we must look abroad partially for the initial supply. Orders have at present been placed, by Provincial Governments and a bulk order by the Central Government, amounting to a total of just over 1,000 rollers

to be supplied from the United Kingdom. We shall have to import from elsewhere if possible and if the arrangements for Indian manufacture which can be made cannot be geared up to the extent necessary. The D.G.M.P. has gone out or is shortly going out for tenders for Indian manufacture at the earliest possible date on the basis of the ultimate replacement market, with option to the manufacturers to offer increased production in the immediate future. The possibility of manufacturing road rollers in Indian munitions factories under licence from and with the assistance, if necessary, of foreign manufacturers is also under consideration. The object in this is, however, not that Government should enter permanently into the manufacturing field, but that all suitable capacity in the country should be utilised for meeting the immediate short-term demands.

I need hardly add that we are making every endeavour to secure the return from the Army of as many as possible of the road-rollers made over to them in the earlier part of the war and the return and reconditioning of these is being made a matter of high priority.

Finally as regards the resettlement of ex-servicemen on road construction and road transport, we have had valuable discussions on the Transport Advisory Council with the conclusions recorded in the minutes before you. Provincial Governments hope to make provision requiring transport-operators to reserve a specified proportion of all future vacancies in their employ for ex-service personnel. On road construction the Transport Advisory Council, on the advice of a Committee of Chief Engineers, has recommended that chief reliance will have to be placed on the ordinary contract system with special contract terms to ensure the employment of ex-service men, but experiments will also be tried in establishing Co-operative Labour Contract Societies and in the United Provinces a Labour Depot scheme.

I have endeavoured to give you a general statement covering the progress of planning on the matters on the agenda, which we will now proceed to take up item by item.

General Discussion.

Dr. Sanyal : As you, Mr. Chairman, have traversed a fairly wide field, I hope you will allow us at this stage to make some general observations and thereafter to deal with specific items as and when they are taken up for discussion.

Let me say at the outset that this time the agenda is a little too vague and is rather too wide. The items need clarification.

The first submission I would like to make is that we do not feel convinced of the justification for taking up the question of finalising road-rail policy either before the Provincial Governments have been reconstituted or before the Central Legislature has been formed after the elections. Moreover we from Bengal do not feel happy over the question of road-rail co-ordination being settled before road and rail problems are tackled along with river transport questions. The arguments that you have set out to justify your action in regard to water transport problems during the last nine months do not convince us. The note that you have just placed before us shows that the last correspondence which the Government of India seem to have had with the Provincial Governments dates as far back as January 1945 and December 1944. We do not know what the Province have been doing so long and why the Govt. of India was keeping quiet over this very important branch of transport, at least in the eastern zone of India.

The question of policy regarding National Highways had been dealt with in the previous meeting, and although generally speaking we welcomed the idea of eventually having motorable high grade roads connecting the distant regions of India, we definitely did not like priority to be given to the construction of such National Highways over district and village roads. It appears, however, that the construction of National Highways has been decided upon by the G. of I. on grounds of high policy. We would like to know whether you have had in mind the economic development of India to the best advantage of the people, or strategic considerations only, as the guiding factor in framing this high policy. The development of motorable high ways will naturally lead to various complications like road-rail competition, and the other items on the agenda to which we have got to apply our mind are directly or indirectly dependent upon this policy of constructing National Highways in a hurry. I would like the committee to take emphatic note of the non-official Indian opinion that National Highways as at present contemplated should not receive precedence over district and village roads in any sense of the term.

India is crying for development of the rural areas. The National Highways, which at one time were considered necessary, so as to provide arterial roads, would neither be national nor would provide highways for rural production or for supplies to rural districts. I do not object to the planning out on a blue print of the National Highways system, which we would keep in view and eventually link up, but at the present time I would emphasise district and village roads to be given first priority. If for any reason this is not found practicable, I would submit, as a compromise, the development of zonal highways on the National Highways plan round about important industrial and commercial cities of India, such as, Calcutta, Allahabad, Cawnpore, Delhi, Lahore, Bombay, Nagpur, Madras and so on, radiating out from these important centres of trade and industry. We can gradually extend the zonal highway systems which will eventually be linked up to form the network of arterial national highways.

We submit Sir, in the second place that the decision of the Govt. of India to take away the contributions from the Central Road Fund is unfortunate. While, on the one hand, in the preamble to your observations now as well as in the note circulated, the urgency of district and rural roads is recognised, on the other hand no indication is given to show how the Provinces could really take up the construction and the maintenance of these roads if they have not financial provisions arranged for the same. There should be some *quid pro quo*. It is recognised that when National Highways are taken over by the Centre, some money might be released and the Governments of the Provinces might be in a position to divert that money towards development of Provincial highways, district roads and rural roads. But from the experience that we have in Bengal I can definitely state that the amount of money available with the Provinces will not be sufficient even to maintain the existing roads, and for the next few years we shall require a very large amount for repairs and maintenance because of the depreciations caused during the period of the war. I submit that if nothing else can be done, at least some opportunity should be sought to link up the prosperity of the railways with the financial prosperity of the Provinces. If the Provincial Govts. do not feel that with the improvement of railway income they are likely to get something, no amount of agreement or code could compel them to conserve the railway income at a level that the Govt. of India would like. In this connection, I would invite your attention to the provisions of the Niemeyer Award, which were suspended during the war time and under which the fortunes of the railways were linked up to some extent with the provisions of some contributions to the Provinces. If nothing else can be done, at least we should be restored the *status quo ante* in regard to that provision; and if, as was then provided, that total income of the income-tax and railway surplus exceed

18 crores, a proportionate contribution should be given to the Provinces out of the surplus income.

There is just a slight mention of improvement levies or fees to be permissible to the Provinces on land value improved by National Highways. It is not known how far it would be possible for the Provinces to realise such additional levy on improvements effected through the improved road system. Even if it is done, I should think this sum should go rather to the local, municipal or district board concerned than to the Province as such, as there is hardly any possibility of the Province getting additional earnings through such sources.

In the next place, the policy visualised by the Govt. of India in regard to rail-road co-ordination does not give due recognition to some of the very valuable maxims laid down by the Technical Sub-Committee. The Technical Sub-Committee, for example, laid down that the object of the Transport Authority must be to provide and develop cheap and efficient transport for all by the means best suited for the kind of traffic involved. Surely, the provisions of the code and the method that is contemplated and the machinery that is going to be set up would not ensure cheap transport for various classes of traffic. Moreover, as was contemplated by the technical people, the main object should be to get motor transport into the heart of the country-side and to prevent undue overcrowding and competition on the better developed roads. This also has not received due attention.

The other important policy that was laid down by the Technical Sub-Committee and which has not been properly recognised, is that motor transport should be used to a greater extent than hitherto by Governments in India for administration and development purposes, so that conditions must be created in which, despite the temporary handicap of poor roads, motor transport will spread over the country-side. I had seen some reports made by eminent engineers on the possibility of cheap village roads. One report was published in Bombay in 1940. It was prepared under the authority of the Govt. of Bombay at the time and it dealt with the possibility of cheap and durable rural roads. It is unfortunate that such attempts have not been made in other Provinces and it is still more unfortunate that the Govt. of India has not given us any guidance as to how cheap rural roads could be developed. I would invite your attention to this report which was drawn up under the aegis of the Congress Govt. of Bombay.

In the next place, the powers that the Govt. of India propose to take for National Highways provide no *quid pro quo* for the Provinces; neither have the Provinces been given any facilities for improving their finances nor are they being allowed any say in the provision of railway facilities and railway development. Although in the preamble to the code there is one sentence suggesting that the Provinces will have to be consulted in matters of railway development, in the code itself there is no provision by which the so-called Provincial Transport Commissioner will be in a position to direct the Railway Dept. concerned to improve railway services and at least to provide better facilities for the public. The provisions in that respect are entirely one-sided. I feel that the Provincial Govts. should also have some say in provision of local railway facilities and improvements or amenities to the public.

The machinery for enforcing the code, especially the proposal for entrusting certain important decisions to be made singly by the Provincial Transport Commissioner, is fraught with great danger. We have seen occasions in the past where political considerations have been brought to play to prevent proper development of transport by persons competent to undertake the same. Apart from that, there is just the possibility of that one single individual, not being

an expert himself, committing mistakes, if not being liable or open to influences not always healthy. I submit that there should be in such circumstances an appellate authority set up either in the Province itself or for several Provinces on a zonal basis, so that decisions taken singly by the Provincial Transport Commissioner, or the Provincial Transport Authority or whoever he may be, could be brought up before that appellate authority; this authority should be equipped more or less with judicial mind and the decisions of this authority should be final.

There is provision for a Tribunal which, to my mind, appears to be rather eye-wash. There will be hardly any occasion for difference in the interpretation of the Code as between the different Provinces and as between the Provinces and the Centre, but there would be a great deal of occasion when the public would have grievances against the decisions either of the Railway Dept. or of those in charge of traffic control and road development. I would, therefore, submit that there should be set up an All-India Commission like the Inter-State Commerce Commission of the United States of America with full powers to give decisions on questions brought up before them by any interested party,—the traders, the users of the road which may mean public as well as private road transport, the Railways and the like. If for any administrative or constitutional reasons that is not found possible at this stage, the powers of the Railway Rates Tribunal should be improved and that Tribunal should be vested with sufficient authority to deal, for the time being in an advisory capacity, with all questions with which the Transport Commrs. of the Provinces or the Indian Central Road Board or the Railway authorities have anything to do. Eventually, when the waterways also could be linked up, I would submit that the same Transport Tribunal should be invested with powers to deal with questions of rate cutting co-ordination and the like on water transport also.

It has been noticed that the Railway authorities recognise the urgency of or the economy in permitting buses or road services to work freely within a 50 mile zone. Those who are transport men know definitely that within short distance—the definition of short distance being a little elastic—it is not possible for the Railways under any circumstances to compete with road services for smalls traffic. Why not, then, give a directive to the Railways also that they will not handle short distance smalls traffic as and when suitable roads develop? If you take away from the road services the right to run long services, reserve for them the short distance services, so that a valuable means of transport may be developed in the country for public convenience.

I should also like to submit that in regard to port facilities there is a possibility of a large number of smaller coastal services being developed which require the attention of minor small ports. Taking, for example, the port of Chandbali in Orissa, I submit there is immense possibility of development of that port provided the Govt. of Orissa and the Govt. of India co-operate in the matter. There are numerous smaller ports of that description which would cater successfully to the needs of the traffic and the public on the east coast of India at least.

Last but not least, the planning so far presented before us gives a very sad picture regarding the development of the transport industry,—the motor industry, the shipbuilding industry or the major repairs of ships and motor-cars.

Chairman.—I think we should really adhere to the agenda. These are matters outside our scope of discussion and not within the competence of this Committee.

Dr. Sanyal : It comes in this way, Sir, that you have mentioned large orders being placed, particularly road rollers, road equipment and so on, and I dare say that this matter has been agitating the public mind for a long time,

and shipbuilding also was one of the demands which people had in view. Sir, you at least know, of nobody else does, that the Calcutta port is in a position now to handle probably the biggest traffic, the combined traffic of all the ports of India, and yet we regret very much to find that there is no facility for shipbuilding in and near about Calcutta, nor even adequate arrangements for undertaking major repairs. There have been a few trawler hulls left over there for some time; they are going abegging and Govt. is anxious to sell them. We cannot, however, make any use of these trawler hulls and probably they will have to be sunk in the Bay of Bengal. A huge amount of money will thus be thoroughly wasted because Govt. made no arrangement for this shipbuilding industry being taken up with earnestness.

I submit that all these questions involve questions of policy that could only be decided by a national Govt. It is really unfortunate that this Transport Policy Committee should be proceeding in a hurry to deal with and to finalise questions of policy in a manner that is likely to raise suspicions and strengthen the demand for "Quit India". That cry for "Quit India" was merely evolved because of a series of mistakes committed by Government officials at the top. I pray that you should not repeat those mistakes. There is a rumour that the Governor of Bengal has already been negotiating for the appointment of a so-called expert from abroad for taking over the office of Provincial Transport Commissioner. We have had enough of these imported foreign experts. We do not know what will happen in this case but we want to tell you definitely, and I state it with a certain amount of feeling which you will excuse in one who has been closely watching the development of transport and serving the country as a member of the Congress, that we have been feeling very keenly that things are not done in time and they are done in a manner which raises suspicions and creates misunderstandings. I appeal to you not to rush with these orders and not to take steps which are likely to be abrogated or thrown overboard by the coming Govt. at the centre and in the Provinces. I must at least raise this warning that all the appointments that are now going to be made, all the commitments or contracts that are going to be entered into will have to be reviewed by us in the Congress Govts.; and I can tell you definitely that we are not going to be bound by anyone of these contracts and appointments if we are not convinced that they have been done in the best interests of India.

Mr. Santhanam : I shall deal with general questions and not discuss the Code or other particulars which we shall discuss in detail. I do not complain that you had not much time to distribute the papers relating to the issues before the Transport Advisory Council. But when you did distribute them you should have given us some guidance as to the matters in which the Transport Advisory Council took a different view which was adopted in the proceedings. You have of course circulated your Government's views in the matter and you have circulated the decisions of the Transport Advisory Council, but there are some changes. If a minute had been distributed to us showing that in these particular matters the Transport Advisory Council took different view, which has either been accepted or rejected by Government, we would be in a position to discuss the matter more intelligently. For instance, I will give you three specific matters. Government have always been advocating that the Chairman and the Chief Transport Commissioner should sit singly in the disposal of the road area permits. What is the position today? Here, under "Amendment of the Motor Vehicles Act" we find in sub-clause (2) of part B of the conclusions that three provinces were of opinion that the proposed provision should empower Provincial Governments to direct that in respect of public service vehicles the functions should be exercised singly. Then what about the other Provinces? What is the general attitude of Government? What is it that they propose to do? Do they propose to ask for an amendment of the Motor Vehicles Act giving discretionary power or compulsory power or what?

Then I understand Government are still undecided regarding the composition of the transport authorities. Do they want to propose changes? Because, in one of their reports they said that they would like interests like the railways and the private transport authorities to be represented in these Regional and Provincial Transport Authorities. Now you are developing a scheme of tripartite public utility companies, which makes it all the more necessary that these boards should have more or less a judicial character, because big interests like the Provincial Governments and the Railways are getting involved in the business of motor transport. And so when you have to give licenses and permits you will have to judge the actions of these people; and therefore there is all the greater need, which was emphasised at the time of the passing of the Motor Vehicles Act in the Central Legislature, that these bodies should be of a judicial nature. Anybody having any direct interest in the matter should not be on the board and I want to know what the position is in this matter.

Then I find there is a curious mistake relating to the financial provisions. I find in the original report that the distributions from the Road Fund will be stopped at the end of the current financial year. But in the report of the conclusions of the meeting of the Transport Advisory Council it is said that allocations will be discontinued after the distribution of the revenues accruing to the fund during the financial year 1946-47. I want to know if this difference of one year was due to any oversight or to any representations from the Provincial authorities.

I am mentioning these three details because, whenever you distribute the agenda or minutes at short notice, you should enable us to understand what changes have been made so that we may speak on them and give our views.

Now, Sir, one of our difficulties in discussing these matters is that there is an absence of a general outlook regarding the whole plan,—Rail-Road, Railways and so on. So far as roads are concerned the whole basis is that there is going to be economic progress in the near future. Otherwise both the capital and recurring expenditure that will be involved will not be borne by the future. I do not think that unless the post war economics of India are based on a 50 per cent. higher level than the pre-war economic level the road programme can be borne; it will merely become a big millstone round our necks. But I do think that Government are entitled to assume that the post-war era will be one of prosperity and a large amount of economic expansion will be bound to come. But when you come to the reference to Port Authorities you find they are asked to give us a programme which will be just sufficient for the status-quo. Similarly the rail programme is based on a status-quo basis at the pre-war economic level. I think that all these Policy Committees, the Central Committee, the General Policy Committee or even the Executive Council should plan on the basis of a 50 per cent. economic progress in the next 15 years. Then all your figures, even though approximate, can be adjusted and your plans made. But for one programme you think of progress and for another you think of retrogression, and especially this road-rail co-ordination discussion is all based on a practical repetition of the pre-war conflict in the next two or three years. I think there should be a general basis for this planning. It should not be just as the Secretariat wants, i.e., when you want an expansion you paint a rosy picture, and whenever you are not keen on any plan for expansion you say, "Let us plan for the pre-war level on the status quo." This should not be the case.

In the second place, in the Statement I find that the code is intended to interpret the Motor Vehicles Act. I do not see how it is possible for any code or convention to interpret the statute which is the exclusive privilege of the

courts. You can either amend an Act to suit your own purpose or you have to let the courts interpret the Act. I do not think any magistrate or any court of law will be bound by the code in the matter of interpretation of statutes. Therefore matters which can be dealt with in the code should be confined to those things in which discretion has been vested by the statute in the executive authorities. Of course in such matters you can have a convention giving directive. Similarly the code can deal with all those matters which are not dealt by statute and in which therefore is implied discretionary power. It is only in such matters that the code can prevail and therefore this point must be carefully examined by your Legal Department.

The third point I wish to make is that policy should not be divorced from finance as it is. We are given a chart, we are given a plan for National Highways ; but there is no Statement as to the cost to the Central Government, both capital and recurring. And I think that without it is really futile to discuss a big plan of National Highways. It is only when we know that your cost, both capital and recurring, is within our means that we can possibly say that it is a good plan and we can get on with it.

I think a big surprise was sprung upon us today, and that is that you are going to make roads through giving special contracts. I am really alarmed at this proposal because roads are public property, and I think it is better to do them well and solidly rather than hasten the work by giving contracts. We know how contractors do it. In war time of course it is essential and you do not expect goods to be made perfectly during war. But we want the roads to be made carefully and well. I want this to be a Government enterprise from beginning to end. It does not matter if it costs more because it will last longer. This jobbery has gone on so much everywhere during the war that no kind of honest conditions of enforcement can be expected in the post-war era from road-making through contracts.

I am also very much disappointed at your reference to road-making plant. Your remarks recall the usual arguments about locomotives. Though we have had the biggest railway system now for 25 years, every year it was argued that the annual replacements will not justify the establishment of a locomotive factory. That argument has been given up now, but it has been taken up for road-making plant. We are going to make long-term plans. What is the difficulty in the Central and Provincial Governments pooling their resources and starting one or two factories for 200 or 300 plants ? Roads are all public property. We are going to have one of the biggest road systems in the whole world. It is disgraceful that we should depend for our road making plant on foreign countries. I can understand the import of 100 or 200 plants ; I cannot object to it. But, side by side, you must make it clear that annual replacements and future progress will not depend on imports. The plan adopted for the Ammonium Sulphate industry is a good precedent. When you are going to have 500,000 miles of roads, we cannot support the idea that the road making materials should come all the way from America and Britain.

We have been circulated a paper about Railways which has nothing to do with policy. After all, this is a Policy Committee. Whether you should have a particular railway in some corner of India is a purely technical question on which we cannot contribute any useful ideas. If you say that the present mileage of railways increased to that extent will lead to the economic improvement of India, that is something. Unless you discuss it at such a level, the Policy Committee as such cannot have much jurisdiction over it.

There are one or two points of policy. One is, the constitutional position about Railways is at present obscure. It is necessary that this Policy Committee should recommend what sort of Railway authority we want, whether the Statutory Railway Authority contemplated by the 1935 Act or any alternative. Secondly, we have been talking about co-operation between the Central Government and the Provincial Governments in road-making plans and road-rail co-ordination. Provincial Governments, the Central Government and this Policy Committee should consider how Provincial Governments can have a voice in the administration of Railways. That is a matter of policy which should be brought before this Policy Committee. Similarly, about the development of inland waterways Government have laid down that their development will be considered on the same principles as the development of motor roads. I am not very particular about the big steamer companies and power craft. They are big interests and can look after themselves. But there is a great depression in the country craft industry. It is even today as big as the handloom industry and it can be developed as a big subsidiary cottage industry for millions of our people living on the riverine tracts. I am not speaking of coastal shipping. I know that there is a Shipping Committee. In my own district, on the river Cauvery, the development of irrigation has been such that we would have to break down the entire canal system so that even the smallest boats, country boats, can be used for inland traffic, passenger as well as goods. On the Godavari and Krishna, they have been wiser. They have laid the canals and bridges in such a way that inland water craft can pass through them. Therefore, it is necessary that a statement of policy should be made ; of course, Provincial Governments can make a scheme, but unless you give a policy and provide the necessary finance, they cannot carry it out. I have had no time to look into the actual plans which have been distributed this morning but I will not be surprised if they are wholly inadequate.

Sir B. P. S. Roy : Mr. Chairman, I do not propose to take up much of your time. I shall confine my observations to one or two points regarding which I feel very strongly. One is the proposal to discontinue the contribution out of the Central Road Fund. I do not know if this has been accepted by the Transport Advisory Council representing the different Provinces. I am sure that if the Provinces were today functioning under the Constitution Act of 1935, i.e., if there were Ministries, there would have been objections to this proposal. I do not know what my Province, Bengal, has done. I know for certain that Bengal has no money at present and I am afraid it is not going to have much money in the near future to develop her district and village roads. I doubt very much whether Bengal in particular and other Provinces in general can afford to give up this contribution altogether. The Government of India should bear in mind that the Road Fund comes out of the tax imposed on petrol consumed on the Provincial roads. There was a stage when even the maintenance of some of the existing roads in some of the Provinces was found almost impossible without spending a portion of the Government of India's contribution from the Road Fund, and in spite of the fact that the Government of India are going to make large contributions for post-war development to the Provinces, I cannot visualise a situation when the Provinces will be able to develop other post-war schemes as well as the district and village roads. The improvement of our villages and the improvement of their standard of living depend very much on the development of the district and village roads. Not only their development but their maintenance will be a great problem. So, on behalf of the non-official members of this Committee, I would like to draw your attention to this point. I am sure that if Ministries were functioning in the Provinces today, and if the Provinces were not administered under a section 93 regime, there would have been objections to this proposal of the Government of India.

Next I would like to draw your attention to the composition of the Provincial Transport Authorities. We are going to transfer very large powers, almost autocratic powers, to the Provincial Transport Committees. It is desirable that their composition should be on a judicial basis. In this connection I would like to draw your attention to the Union of South Africa Act, Act XXXIX of 1930. The relevant provision is this : " Subject to the provisions of section 4, the Minister.....shall appoint a local road transportation board, in this Act referred to as the Local Board, consisting of 3 members, one of whom shall be designated by the Minister as Chairman, provided that no officer or servant of the Administration and no person having a direct financial interest in motor carrier transportation in respect of which a motor carrier certificate has been issued may be a member of a local Board." I hope that the Government of India will reconstitute the Provincial Transport authorities on these lines. That will create public confidence and they will be more useful if their composition is changed.

In your letter to Provincial Governments you have suggested that although the Central Government will take up the construction and maintenance of National Highways, the property therein will still remain with the Provincial Governments and Provincial Governments will be responsible for all the liability attaching. What are the liabilities contemplated ? It has also been suggested that there should be a levy of betterment fees. The Government of India want to do away with the contribution from the Central Road Fund on the ground that Provincial Governments will be in a position to levy betterment fees even on property situated on the National Highways. I wonder whether it will at all be possible for Provincial Governments to levy large sums as betterment fees. Most of the Provincial highways touch the important cities and there will be little room for realisation of a large amount of revenue from this source.

Finally, Sir, we all realise the importance of the improvement of National Highways, but we trust that this will not militate against the development of railways and other forms of transport. By developing National Highways we may be creating some of the problems we want to avoid, viz., competition between road and railway. So, in accepting your schemes for the alignments of National Highways this fact should be borne in mind. In formulating the alignments I hope the Government of India also take into consideration the road schemes of Provincial Governments, because unless Provincial roads are linked to some of these National Highways, the importance of these Highways from the Provinces' point of view will be very much reduced.

Dr. Deshmukh : I wish to associate myself very fully and strongly with what my friend Dr. Sanyal has said, excepting his suggestion that the National Highways should not have any priority over other roads. I hope that a compromise between the views on the Government of India and those placed before us this morning from Bengal will be possible. I hope that the Government of India will not brush aside what Dr. Sanyal has said, but will take careful note of his speech as, in my opinion, he represented the views and sentiments of the people of India as a whole. I am very glad to find that the fundamental point of view has not gone by default in this Committee.

So far as the States are concerned, I have one point to make. You have said that the responsibility for the development of National Highways passing through States is not going to be undertaken by the Central Government. According to my information, the arterial roads, as they are designated at present, are by agreement with the various States, maintained by the Central Government. If the suggestion is that these arterial roads, which hereafter will be called National Highways, are going to be left to the smaller States and

only in exceptional cases will the Central Government make itself responsible for their development, I think a difficult situation will arise. The logical position would be that, so far at any rate as the smaller States are concerned, the responsibility in the first instance should be undertaken by the Central Government and whenever there is another point of view, the matter should be settled by negotiation with the States. Otherwise you will be faced with the problem of 2,000 miles of road being developed in an excellent way on the National Highways, and bits here and there left to be taken care of by smaller States will be in an inferior condition.

Sir Ramaswami Mudaliar : Mr. Chairman, I shall deal only with one point, i.e., about rollers. But, before I do so, permit me to make one or two general observations.

There has been a great deal said about the future responsible Provincial Ministries not taking the view that may be adopted at this Committee. You and I have realised that. But many of these things cannot be held up on account of that. The future envisages not only popular Ministries in the Provinces but also some sort of Government which is called national today. I would like to throw out one small reflection. It is just possible that the Central Government when nationally constituted may sit more tightly on the necks of Provincial responsible Ministries than the present Government is prepared even to dream of doing.

Let me now come to road rollers, and there I agree with Mr. Santhanam. There are two developments which have to take place fairly urgently, if we are to solve the problem of unemployment which is going to face us. Vast millions of people will be thrown out of employment. Demobilised soldiers and demobilised industrial workers, when contracts are terminated, as they are being terminated, will have to be found employment and something rapid has to be done. The unexpected termination of the war in Japan—Japan has not been considerate even in the matter of terminating the war—has thrown up this problem in a much more complicated manner than we expected when our plans for development were formulated. Something has to be done if we are to prevent a sort of chaotic and anarchic condition coming over the country. There are two developments possible. One is the road building programme in which sufficient non-skilled and some skilled workers can be absorbed. The other is the vast building programme—public, private and industrial buildings. I would put as much emphasis on the building programme as on the road programme. In fact, I would put a little more emphasis because the building programme will absorb not merely the workers on buildings but a dozen or more other ancillary industries which have to be developed to make the building programme run smoothly.

Dr. Sanyal : What about food production and irrigation ? They are more fundamental and vital, and could provide employment for thousands.

Sir Ramaswami Mudaliar : They are also being considered, of course. I do not think they have made progress on a large scale. Incidentally, may I say that this is only one of the Post-War Planning Committees ? There are other Policy Committees dealing with shipbuilding, shipping policy, the construction of motor cars and things like that. The general picture will be more readily seen when the work of all these Committees, and particularly when the work of the various panels that have been appointed by my Hon. Colleague, the Planning and Development Member, is finished.

Coming to the road-making programme, one of the things of which we are in short supply is road-making machinery. It is a common idea that as roads were made during the war on a large scale, there ought to be a large amount of road-making machinery surplus which will come up for disposal. We have

been making enquiries about it. The Army authorities and the United States Army authorities have not yet given us the figures of the sort of road-making machinery which will be thrown up as surplus for disposal. But, we have come to the conclusion that they will not be very many, and that the types of machinery in use in the Army may not be suitable for road-making authorities throughout the country. We have two approaches to make. One is the import approach, because it is urgently necessary. Mr. Santhanam agreed that was necessary. The other is the permanent solution of making road-making machinery in this country. As regards the import approach certain proposals have been made and certain orders have been sent abroad to the U. K. and United States. But the latest information that we have obtained does not give a rosy picture of what we are going to get in the way of road-making machinery by imports from abroad.

Mr. Santhanam : Will there be a time limit for deliveries ?

Sir Ramaswami Mudaliar : The order will be placed according to the time of delivery. If we do not get satisfactory assurance about the time of delivery, the order will not be placed. If it is delayed, the order will be cancelled. The Government of India will follow as wise a course as many business men would follow, in spite of suspicions to the contrary. There are certain Indian and British firms who can do it. Tata's, for instance ; Marshall's is another ; Jessop's is another ; Cooper's is another Indian firm. These firms have been asked to let us know whether they are prepared to take up these orders. In addition to that, we in the Supply Dept. are examining the question whether some of the Ordnance factories which are now working can take up this work and I am glad to say that the response has been good from the Director General of Ordnance Factories. We have now set in motion the machinery for plans to be made for some of these Ordnance factories to use their surplus capacity for making this road-machinery. I believe that very shortly we will be in a position to go ahead with the actual manufacture of this machinery. There is one difference between a private industry and a Government factory which can take up this kind of work. This is not a sort of thing which can be sold in the public market for anybody. This is only used by Provincial Governments, State Governments and quasi-public bodies and we should get some sort of assurance that when we turn out these road rollers, they will be disposed of. We have addressed the various Chief Engineers of all the Governments and some States as to what type of road roller they require, because several of them have used one or other special types and perhaps would like to stick to those types. We have asked them whether they could not come into line and take one or two special types approved by them. I hope that these plans will be finalised soon and that we will, early in the New Year at least, go ahead with making this machinery. Incidentally, I am assured on the best authority that it will be possible to turn out this road-roller machinery within the course of 12 months and with no more plant being imported.

Chairman : It is always rather difficult to answer a general debate covering such a large number of points as were raised. I have taken a careful note of all these points, and in the main they come under three heads, and I think they will be covered when we come to the Agenda item by item ; in some cases they are Provincial subjects. For instance, Mr. Santhanam referred to inland country craft, which is a Provincial subject. We can help in some matters, but it is a Provincial subject, and Provinces are very jealous of their responsibility. We cannot butt in from the Centre, though we can help in co-ordination.

The same thing applies to the question of minor ports. We can co-operate with the Provincial Govts. but as it is, minor ports lie within the sphere

of Provincial Governments and the Indian States, and we cannot therefore cover the ground easily as we can on a Central subject. That is one of the difficulties of planning for transport. So many of the aspects are Provincial subjects which have to be very delicately handled with the Provincial Governments. A number of points do involve alternations in the constitution which need consideration when you are about to draw up a new constitution. But I will try and deal with one or two of the general points covering the whole field and will take up the others, if I may, when we get to the agenda.

Mr. Santhanam suggested that there was no general outlook in this planning. He said, I think, that we were planning a ports plan on the basis of pre-war figures; that our rail programme was based on the *status quo*; that we ought to do all our planning on the basis of a 50 per cent. general increase in trade. It is an attractive idea, but I think it is more practical really to base our policy of transport development on the needs of the country that we can foresee. If you look at the ports programme, the Committee has gone carefully into the position, calculating in some detail what traffic can be foreseen during the next five years—it might be carried further, you might take 20 years, but if you can see your way five years ahead you are not doing badly in such matters as port development, because if traffic is going to increase more rapidly you will have time within the next five years to plan further ahead. It does not mean that plans are not being laid further ahead, but there is no need to contemplate further construction work if the capacity that you can see will be available within five years is likely to be ample to handle the trade which the other planning departments consider is likely to pass through those ports. So that is a better way of planning rather than saying we will increase our trade by 50 per cent. and therefore we must increase all our port facilities by 50 per cent. You will have to spend a lot of money and if you find that the other planning departments have not come up to their target figure, your money will be wasted.

As regards the rail programme, Mr. Santhanam says the same thing—we have no general outlook. We have consulted all the Provinces and we have taken into consideration the advice given by them. The Railways will be planned according to the traffic that is likely to be forthcoming and according to the needs for opening up undeveloped parts of the country.

And that takes us to the third large item—Roads. In my view our road plan in India is frightfully behind the time. Our Railway system is not quite as inadequate as some people say, having regard to the fact that this new form of locomotion has come in within the last twenty years, that is to say motor vehicle transport; and motor vehicle transport can do and will do in future a great deal which 20 to 30 years ago would be done by branch lines. Now you need not contemplate branch lines except where mineral traffic is involved; other traffic can be carried by a bus service. I do not think that it is really quite fair to say that the planning of transport lacks a general outlook. As I said in my opening remarks, I think for the first time we have got together the Provinces and the Centre and are taking into consideration the existing road, rail and steamer facilities. We have not dealt with the steamer facilities yet, and we have not finally correlated the road and rail programme, but we are proceeding I think on the right lines.

Sir B. P. S. Roy said that in opening up our National Highways we have got to be careful not to do what we are trying to avoid, that is to say create competition. That is one of the difficulties which we inherited in the past. There was no planning and the result is in very many cases your main arterial roads run parallel with the railways, and you have to start on that basis.

Dr. Sanyal : The railways followed the roads, not the roads the railways.

Chairman : They are there in competition and you cannot get away from that and you have got to start from the position in which they are today ; to a great extent they follow the natural highway of trade. Roads came first and the railway followed when the traffic was heavier. We cannot help it, that is the position, and we are bound to create competition and that is why it is necessary to create a Code such as we have been discussing and shall be discussing, in order to overcome that very difficulty.

Sir B. P. S. Roy also made the point that in starting our National Highways we must be careful to take into account the road schemes of the Provinces. That follows ; we shall do so of course.

Dr. Sanyal spoke of the arbitration board and said in his view that was all eye-wash. I did not quite follow why. As a matter of fact, you will see from the record that some of the Provincial Governments which are said to be so subservient to the Central Government take objection to the arbitration board. He says that we should go much further, and should create an Inter-State Commerce Commission. It is a very attractive idea and it will come about but it is a very big idea which involves constitutional changes and as I said in my opening remarks it is an item—and a big item—for consideration when the new constitution is framed. But for the moment we feel that the best we can propose is the suggestion that we have put forward in the papers in front of you.

Dr. Sanyal said he was not satisfied with what I have said about delay in rail-river co-ordination. I quite agree with him ; I am not satisfied myself, but we have appointed a technical committee to collect the details of rail and river competition in the past, and I understand their report has recently come in, I have not seen it myself yet, nor has it been studied, but I am fully aware of the desirability of getting on with this subject and it shall be done. I very much regret that it is not ready.

When he said that the papers were out-of-date, he was a little unfair. I thought these were matters which might be of interest to the committee. I think you will find that there is a certain amount of useful information in them. I said to myself that if I put forward these papers I was bound to be told that they are a year old, but still I took that risk because I thought that you would find them interesting.

One or two speakers laid particular stress on the question of priority for village and district roads. In that the Central Government is entirely in agreement with them. There are practical difficulties which even the popular Government will also have to face. If you have got no district roads, it is not possible to build village roads. I should like to say that there is general agreement on the necessity of developing village and district roads, but there is something in the point that it is desirable to have those roads linked up with the main road system. We are particularly anxious that the funds which we put forward shall not be spent in providing nice motor roads around big capital cities, but will be utilized in constructing roads which will serve the villages ; so that we could not be more in agreement with that point of view and I may say the Provinces are equally desirous as far as I understand of developing district and village roads. Incidentally, it is one of the conditions which we lay down in taking over National Highways.

I think that covers the main points. Everything else that I have noted down here will come up as we take up the various items on the agenda.

Sir B. P. S. Roy : What about allocations from the Central Road Fund ?

Chairman : There are one or two things I would like to say in that connection. The Provinces very naturally would like on the one hand to keep their share of the Road Fund, and on the other hand to get the Central Government to take over the National Highways, and in addition to get large grants for the development of roads and everything else from the Centre. But the Centre must look after itself.

In taking over the burden of National Highways it is taking over a very considerable burden. But I may say that your view is shared to some extent by the Provinces and if you will look at the conclusions of the 8th meeting of the Transport Advisory Council, you will see that "the majority of the representatives of the Provinces while agreeing to the abolition of the Road Fund desired to place on record their opinion that, in view of their increasing liabilities for road maintenance in the future, consideration should be given to the necessity of assuring equivalent resources, from the petrol tax or otherwise, for the particular purpose of road expenditure in the Provinces as part of Central assistance after the first post-war quinquennium."

If the Centre is to take over National Highways and has to provide large grants for development in the provinces, it is only reasonable that at this juncture the Road Fund should be abolished. I should point out that it is not quite fair to say, as Sir Bijoy Singh Roy suggested, that the acquiescence of the Provinces was due to the fact that a number of them were Sec. 93 Provinces. As a matter of fact, this has been agreed to by ministerial Provinces as well. If you go into it you will find that on the whole it is not a bad settlement. As regards the future allocation of finances between the Provinces and the Centre that again is a matter which rests in the hands of constitution-makers. I propose to say nothing more on general matters, but I will ask Mr. Narahari Rao of the Finance Department to say a few words on finance generally.

Mr. Narahari Rao : The question of finance has arisen in connection with the abolition of the Road Fund. I must confess that I sympathise with Dr. Sanyal's apprehensions, but I hope I shall be able to dispel them by making a few general remarks regarding the Govt. of India's financial intentions generally.

The Road Fund was constituted at a time when the Government of India was not making any allocations of revenue from Central revenues for Provincial purposes in any large manner. It may have given small amounts of Rs. 1,000 or Rs. 2,000, but for general development purposes the Government of India was not in a position to give any grants in the past. This conception of making grants for Provincial purposes is one which has been included in Sec. 150 of the Govt. of India Act, 1935. But shortly after it came into operation the war broke out and apart from individual occasions for assisting provinces in distress, it has not been used for large scale development purposes.

In the post-war years we hope the requirements of the country at large for development purposes will be so great that it will be utterly impossible for anything to happen, unless the Government of India and Provincial Governments regard this as a joint affair, without any kind of argument as there used to be in the past about the allocation of sources of revenue being too much for the Centre and too little for the Provinces and so on. It is in this spirit that the Hon. Sir Jeremy Raisman stated in the Legislature in introducing his budget in 1944 that the Central Government hoped to make available to the Provinces very large surpluses out of Central revenues. That position stands today, and we are convinced more than ever of the necessity of following an expansionist policy in regard to post-war development matters. When the Government of

India is going to hand over very large surpluses after retaining what is required for its own purposes and for its own functions, it seems that the continuance of separate funds like the Road Fund with limited allocations and objects is no longer logical. The question of the precise method to be followed for the allocation of the surpluses to the Provinces over the whole field of development is a matter which will have to be considered in detail in consultation with the Provinces after going through all their plans and analysing them, and seeing that there is balanced development and fair allocation of Central assistance to all the Provinces.

Whether the Government of India will be able to make recurring grants is a matter in the lap of the gods. Nobody can say in anticipation what the new constitution is going to be or what the precise distribution or allocations will be. But the resources of India as a whole will, we hope, not dry up. I hope I have said enough to show that the Government of India are looking upon the development and requirements of Provinces with more sympathy than they did before.

Dr. Sanyal : May we hear something from Sir Ardeshir Dalal about the target of a 50 per cent. increase ?

Sir A. Dalal : It is not strictly germane to the items on the agenda. I said something about the general plans in my speech in the General Policy Committee. We hope to lay down a target to which all development will be aligned, but at the present moment we have to collect various materials to enable us to arrive at that target in a definite manner. It may be that the 50 per cent. suggested by Mr. Santhanam may or may not be adequate. But at the present moment we are getting the necessary materials to arrive at the target. We contemplate the development of the resources of the country. It is not possible to lay down "a priori" targets. When we have the whole picture before us then only we will be able to lay down a general target for the expansion of the national income within a certain period of time. We have discussed it in the Economic Committee more than once and I think the line on which we are proceeding has the support of a distinguished economist like Mr. Gadgil.

Mr. Santhanam : But for the purposes of this Committee I want to know whether they have targets for port development, railway development, etc.

Mr. Berry : Sir A. Dalal did define the agricultural programme in the last meeting. The target there was 50 per cent. increase in ten years if the conditions were favourable and 100 per cent. in agricultural development in 15 years, and he said that the increase in industry would be on a much larger scale. So far as it affects traffic, could he give us an indication as to how far we are likely to get in industrial development. That is what we have to consider. In Bengal, for instance, there is a super-abundance of traffic facilities in comparison to the pre-war level of traffic and what we would like to have, I think, is an idea of what increase we can look forward to, say, in five years.

Chairman : That rather takes me back to what I was saying earlier about the planning of railway development which we are doing in conjunction with the Provinces. We are asking them in every case what branch lines or lines they require to be built. Agricultural production is primarily a Provincial subject. It is they who must say, "we hope to increase our agricultural output by so much. We hope to have 50 per cent. more jute in Bengal, and 50 per cent. more rice to move, and we expect to move it by such routes." It is up to them primarily to say what they want, and we will provide facilities in the way of steamers or railways to move the stuff out of Bengal to the world markets.

Mr. Gadgil : May I suggest that it is really much more difficult to get a transport target ? It is much easier to get a primary target like agriculture, whereas the transport one is secondary. If, as has been suggested, a lot of agricultural development should be on the lines of producing more food or to supplement your vitamin diet or milk, then your transport development will not be much. It is very difficult therefore to get at a transport target ; you cannot get at it unless you know not only the general targets for primary production but also the manner, such as regionalisation in industry and so forth, in which they are going to be worked out in detail. I believe the industrial panels have not really yet done very much work on the detailed planning. Unless the industrial panels really know where they are going to locate their industries and the extent to which these industries will send out their products—long distances or merely short distances—the transport targets, I am afraid, could not really be worked out at this stage. At the same time I entirely agree that we must have some sort of tentative or rough figure to go upon. I believe that is one of the things that has been done for port development, where the committee have definitely indicated the limitations of the task themselves.

Chairman : That is a very good exposition. We had exactly the same difficulty during the war, as General Hutton reminds me ; we never knew which way the demand was going to be. When the Bay of Bengal was closed to traffic by Japanese action, we had to move our troops right across India. That traffic route was never used before. In the same way, if you had an increase of 50 per cent. in wheat production in the Punjab, and the railways were asked to plan for moving it, we would say " How are you going to move it and where ? Are you going to send it to Sind for export or are you going to send it in the contrary direction ? " 3 million tons would have to be moved, and if it were moved to Karachi you would have to increase the rail capacity to Karachi and also the port capacity of Karachi ; but until we are told something, we cannot possibly do anything.

Mr. Santhanam : Planning always means risk. You have to aim at something and if you miscalculate you have to suffer ; but an attempt at planning without any figure is an impossibility.

Chairman : We are not planning without any figure ; in the case of ports you have full details of how that planning has worked on a short term basis. In the case of all these railway plans, construction is planned in relation to traffic which can be foreseen in those sections. I think we had better get on to the agenda now. Shall we take up National Highways first ?

Mr. Santhanam : Perhaps it might be better to take up the items in the order in which the conclusions have been arrived at by the Transport Advisory Council.

Chairman : Very well : we will take the conclusions of the Council as the Agenda. We will start with Railway development.

A. Railway Development.

The papers which have been circulated give the general set-out of the railway plans in so far as they have been agreed to by the Provincial Governments. We have only recently received the Punjab Proposals and they have not yet been considered and included in the map. All the others are there. The T.A.C. took note of the provisional proposals on the understanding that Provincial Governments will be consulted and they will have to give further consideration to the question of priority of execution, and, in the case of eastern India, there will have to be consideration of the steamer-rail-road co-ordination problem.

Dr. Senyal : With regard to these railway projects, one requires a magnifying glass to find out the nature of each project from the map that has been circulated. If it is not possible to give estimates of costs, we would like to have statements giving details as regards alignment and the major points over which these proposed railways are going to run. This would help us to form an idea as to their usefulness or otherwise, particularly in view of the National Highways projects which we are now going to consider. It appears to me from what little I could see that there are certain railway projects which are merely duplicating transport services. There are also some projects along some roads which are National Highways or Provincial highways which have already been taken in hand. In order to prevent wasteful multiplication I would suggest that there should be a small sub-committee of this Policy Committee or a committee composed of representatives of road, rail and other interests, with proper representation of the Provincial Govt. concerned, to finalise the particular route or routes to be taken up and to find out whether a railway or a road would serve the purpose better.

The time has come also to consider the question of gauges. In the Eastern zone of Bengal, Bihar and Assam, we have still to contend against the difficulties of break of gauge. The break of gauge on the B. and A. Railway at Santhahar does not seem to be governed by any logical, geographical or traffic consideration. If scientific planning has any meaning in our work, we should try to revise the entire distribution of gauges in the eastern zone and try if possible, in view of the traffic conditions, to bring the transshipment points down to reasonable and logical points of exchange. For example, it would perhaps be better if the entire Bhagirati route on the eastern side of the Hoogly is converted back into metre gauge. There was a time when there was a craze for converting the m.g. into broad gauge but it has been realised now that traffic conditions in some parts do not justify the capital cost for broad gauge. The B. and A. Railway had been before the war generally a losing proposition and, with the net-work of road ways that are being devised, I am afraid it will continue to be so unless the capital costs are reduced. I therefore submit that before rushing to take up new railway projects the logical point of exchange of M.G. with B.G. should be reexamined.

I welcome the connection between the South Indian M.G. section with the North Indian M. G. section as indicated between Khandwa and Hingoli. I also welcome some improvement in the through connections in the Orissa Eastern States region. Simultaneously with railway projects, we should also consider road projects and we must move cautiously in this matter and find out which route would serve traffic conditions better.

I also notice from the map that some short sections of railways which were dismantled during the war for urgent war time necessity have not yet been put back or are not proposed to be put back. I take a short section from Amrura to Chapai-Nawabganj in the Malda District of Bengal, a distance of 11 miles of B.G. line. I cannot congratulate those in authority who advised dismantling of this short section nor can I congratulate those who have not thought it fit to put this section back again. I will tell you in short my reasons for the same. Chapai Nawabganj is on the River Mahananda; coming down to the big River Ganges. It is the only point where B.G. vehicles could be transhipped from the East Indian Railway section, either from Rajmahal or from Sahibganj to the East, and if you just get across the River Ganges you could get into a B.G. line at Chapai-Nawabganj. That would connect with the Rajshahi B.G. and would give access to Serajganj on one side and Parbatipur and Siliguri on the other. I do know what the military strategists thought when they found that the only possible point where B.G. vehicles could be taken across was dismantled. If the broad gauge is replaced, it would facilitate traffic and it would serve a very important transshipment point.

Sir A. Griffin : It is on the plan and our scheme is to replace it.

Dr. Sanyal : If so, my remarks do not apply. There is also a red line from Calcutta to Asansol and also from somewhere on the coal fields line, via Khargpur down to Contai. I do not see any justification for adding to the facilities between Calcutta and Asansol, particularly when we have got this National Highway project, and also any number of other roads butting off from the National Highways to the north, south and west in the area. In this connection I would like to refer to the Faridpur Barisal project in Bengal. I realise that it has been very much pressed by a certain section of public opinion, but I doubt very much whether it would be justifiable on financial grounds or desirable on grounds of public health. It would cut across many water courses in that region and this railway would hardly serve any useful purpose in carrying goods traffic. So far as goods traffic in that area is concerned, waterways provide ample opportunities and facilities. The railway can never compete with water courses to carry agricultural products, rice, foodgrains and jute or to take coal, cement and corrugated sheets and things like that. On the other hand if passenger traffic is the main reason for opening up this part of the country, the railway passengers would be better served by a proper road there. I would therefore ask for a review of that railway project. These are matters where probably the Bengal Government would be up against vocal public opinion from a particular section whom they are frightened of. But, I suppose, so long as the section 93-Government is there, the local officials are going to do things on merits alone, and they would be strong enough to resist unreasonable claims. I leave it at that. Lastly I would request the Honourable Member in charge to take us more into confidence with regard to the strategic railways mentioned in his note. If any section of these railways is going to be pushed for strategic reasons, as we have already claimed over and over again in the Central Legislature and elsewhere the financial burden thereof should be entirely borne by the War Department, and let us have no secret contribution towards the war budget by taking strategic railways on ourselves in the post-war period.

Sir A. Griffin : Sir, the planning of this railway post-war construction was on a very definite basis. Put very generally, it was the opening up and the developing of areas which are hitherto inaccessible. The second object was to obtain a planned development throughout the country generally, that is, taking roads into account. The third object was the more specific balancing of the railways with the road projects in the same area. Then, in the more particular, our plan was based on the following. First of all—these are not necessarily in their order of priority but as they occur to me—the first object was the restoration of certain of the lines which had been dismantled during the war—not necessarily all of them, but many of them. The next was the undertaking of construction which had been previously planned and surveyed but was held up for many reasons—lack of funds in the period of depression and so on. As an example of that, I would mention the Bombay-Sind connection which was finally surveyed and now needs only to be reinvestigated. Then there was the provision of essential links in the general scheme of transport in the country. An example of that is the connection of the north and south metre-gauge systems ; whether it is to be from Khandwa to Hingoli or whether it is to extend down to Kurduwadi—those are alignments which have still got to be examined and surveyed.

The next consideration was the provision of lines to open up and develop areas which are at present completely unserved, but are known to be of great potential value to the economy of the country. As an example of that is the development in the Bastar State area and the Eastern States where those lines have been shown on the small plan.

The next one was the completion of projects which had been partially undertaken before and were then held up, waiting for development. An example of that is an extension of the C.I.C. line—the coalfield line—from Dakonganj to Chhimiri. The next one was the provision of lines to serve specific Provincial projects. As an example of that, in the Punjab there is the Bakhra Dam and they require a railway to serve that project and open up and develop a large tract of country.

Last come the strategic requirements. Some of those are again shown on the small plan, where you see some of the narrow-gauge lines on the frontier which are proposed for conversion to broad-gauge to give uniformity.

That was the general conception of the scheme, and the plan as put in front of the Committee now shows it, so far as it is possible to do so on that rather minute scale. Actually on a larger scale the alignments are not finalised in any way whatever. Many of them will need complete new surveys or a survey *ab initio*. Approximately 30 surveys have already been sanctioned. Many of them will be in hand over this working season. The method of approach to the problem was first evolved from our known information regarding the previous projects which were lying dormant, but for all others there was discussion with each of the Provinces except the Punjab, who were not interested at that time, to ascertain what their own ideas were not only of their immediate requirements but of the proposals they had themselves for development. And that took account of their own road programme. Then the schemes are referred to the General Managers. And at this stage other interests will be brought specifically into the picture. They are required to conduct engineering surveys which have not been completed before, and they are to make fresh traffic surveys or to check the previous traffic surveys. And that takes account of the traffic now and the potential traffic so far as it can be foreseen a reasonable space of time ahead. The General Managers again will co-ordinate their schemes with the Provincial Governments before the alignments are finalised, and they will be, if they have not already been, instructed to take other interests into account as well and to discuss their schemes with them. That would apply particularly to the one that Dr. Sanyal has just referred to, connecting Barisal.

As regards priority, that is very largely determined first by Provincial requirements—to suit their own development plans and schemes, and also on a basis of remunerativeness. We shall, so far as we can, undertake those lines which are indicated by the traffic surveys as being remunerative. We do not want to burden railway capital structure with unremunerative lines prematurely. And, after all, if a line does show that it is likely to be remunerative in future, then I take it as pretty certain that it is serving a public need.

As to the state of preparedness for these projects, as I said, the surveys are in hand. Some of them will take two or possibly three working seasons. Some of them are through exceptionally difficult country, especially the exit from the Bastar State to the east coast. Many of them will be completed this working season, and then the time will come for decision as to when the work can begin. We have in all this taken a very much broader view than has been practicable in the past. All the major railways in the countries are now State-owned and therefore any particular objections which one railway might have had against the development of another railway can now be judged at the top level as to what is best for the system and for the public generally, and without any of the parochial interests of company railways intervening. That is the general plan. I am sorry that, in this minute scale map which you have, all the alignments could not unfortunately be shown, even if we knew the alignments.

As regards the break of gauge points Dr. Sanyal mentioned in the Asansol area, that will be examined in conjunction with the surveys and the traffic surveys which are to be carried out in that area, and also in regard to the rationalisation generally of traffic in that particular area. There is no connection to Asansol. Again, this is where you were misled by the minute map. It is the Vishnupur-Howrah chord line which does not go near Asansol. Those lines have specifically been asked for by the Bengal Government, but they are not yet finalised. They will now be examined by the General Manager who should, and will, take into account the interests of others operating in that area or interested in that area.

Mr. Campbell-Bannerman : I welcome the lucid explanation which Sir Arthur Griffin has given in regard to the procedure being adopted concerning the new projects now under consideration. But there is one point I would like to get some information on. Sir Arthur said that other interests would be consulted before schemes were finalised, and I was wondering in what way and who would carry out the consultation. Would it be done by the railways themselves, or by Provincial interests ?

Sir A. Griffin : It would be done through the General Managers. That is the best method of approach and for discussion. It is best for the Centre not to come into the picture unless there is something to be reconciled.

Sir B. P. S. Roy : I have only one observation to make. In considering and accepting schemes of development, both rail and road, the question of public health should be put in the forefront. My province especially has in the past suffered very much for want of sufficient attention being paid to this question of public health. I will just mention one project which fortunately has been abandoned for the time being—the Dacca-Aricha Road. It was very seriously suggested at one time that this road could be built without paying any attention to the water level or to other considerations. So I hope that in considering schemes in the future, especially in the eastern part of the country, Government will bear the question of public health in mind. It is very important—I should say vital—from the point of view of the economic advancement of the country.

Mr. Santhanam : I do not agree with the view that roads are always a substitute for railways. Railways have a much more intimate connection with large masses of our people than roads, and wherever the interests of passengers and commerce call for either form of transport, the first attempt should be to provide railways, and then only roads should be considered secondarily. I do not think roads on the whole serve the masses as well as railways, and so I am glad that you have here a statement that there will be few areas of importance more than 30 miles away from a railway line. But the statement has been considerably discounted by the word “importance”. I would like to have an idea as to how many square miles and what proportion of our population are involved as being in these few areas of importance which are beyond 30 miles from a railway line. I do not want you to neglect the poor areas where the people live scattered lives. They deserve to have facilities though it may cost a little more. We want to have an even spreading of our Indian population. We do not want, by building more railways and roads in congested areas, that the concentration of people should increase. Therefore, I think the test of remunerativeness should not be applied very strictly. The interests of future development should not be the only criterion ; a more even distribution of population should also be an important consideration.

Another principle I would like to suggest to the Chief Commissioner is that there should be as few dead-ends as possible. For instance, for the last 30 or 40 years there has been a dead-end from Mayavaram to Arantangi. The

railway line runs for 100 miles and then stops 16 miles short of the main railway line. Of course, after great trouble we got the Railway Board and the Provincial Government to agree to construct the 16 miles from Arantangi to Karaikudi but the war came on and it was shelved. I am only giving it as an example. Therefore, the general attempt should be to leave as few dead-ends as possible. There should be no station within 10 or 15 miles of a main railway line which is left unserved. What happens now is that a branch line goes 40 or 50 miles from one station to the other and stops before the main railway. I am afraid that South India has not been given sufficient consideration in the whole plan. I would like the Chief Commissioner to give us a Provincewise statement showing how much construction is contemplated. I think large areas in South India are beyond the 30-mile rule. For instance, both in the National Highway scheme as well as the railway scheme the need to connect Bangalore and Mangalore has been neglected. I was surprised to find that this line, the importance of which is so obvious as connecting the whole of the west coast, has been left practically high and dry by both the National Highways scheme and the railway scheme. I can understand if an excuse is put forward by the railways, but at least the National Highways scheme should try to cover it. But that has neglected it, and the railways have also neglected it. And we are told that everything has been done in co-ordination. I find that, so far as the west coast is concerned, evidence of co-ordination is altogether lacking.

Similarly, many of the Andhra districts also are very ill served. For instance, take Guntur. That is one of the most important districts. It is the centre of the tobacco industry. There is only a dead-end railway between Guntur and Bezwada. The railway must be joined to a proper centre. Guntur is growing in importance as a tobacco centre, and it is served by a branch line with a dead end. I am only giving these as illustrations. I had not the time to study the whole position. But I can say that in spite of the claim made in this brief statement which has been framed on the principle of the less said the better, there has been very little co-ordination and consideration for the interests of the people. I am glad to hear from the Chief Commissioner that the railways have been broad-minded in their policy. I want that mind to become a little broader.

Mr. Gadgil : I would like to know whether the question of the conversion of gauges has been entirely shelved. It appears so, because this deliberate attempt to connect the two metre gauge systems, north and south, is evidently a result of a policy of rigidifying the present metre gauges where they are and building them up into a connected system. The connecting of the two metre gauge systems will be an economic proposition only if a decision is being finally taken that these metre gauge systems are always going to remain metre gauge systems. If that is so, you have already prejudged the question of a possibility at some future date of having a uniform gauge for the country as a whole or for the larger part of the traffic. That appears to me to be the only way to read this map. If that is so, I consider it unfortunate and very distinctly premature also.

I will illustrate the gauge position by a small proposal. Take the lines between Dhond, Baramati and Pandharpur. If you take the Dhond-Baramati line, that line at present is almost useless ; today that line is unable to handle the gur traffic originating at Baramati. All that traffic has to be diverted to Diksal. As a matter of fact, the Bombay Government's major problem in gur is to provide transport to Baramati producers. That 2' 6" gauge railway line is utterly useless. That evidently is going to be connected to the metre gauge line at Pandharpur. If you really want to tackle the traffic of that line, the proper thing would be to convert the Dhond-Baramati line into broad

gauge, which is the only thing to do, and have that connection also from Baramati to Pandharpur as a broad gauge connection. It is in my opinion very important that this gauge question and the possibility that sooner or later—however late it may be—we may be able to put most of our lines on a broad gauge should really not be prejudged at this stage.

A minor question which I would like to raise is this. I do not really know why this Belapur-Sheogaon line is being projected. Sheogaon is within the dry famine tract. There is no traffic originating in or about Sheogaon, unless it be that the Sheogaon line is to be pushed into the Nizam's dominions. Unless this is done, I do not see that the Sheogaon-Belapur line is going to handle much traffic. But that, as I said, is only a minor question. I would again emphasise that the gauge question is one of the utmost importance in considering further railway expansion.

Sir A. Griffin : May I reply to one or two of the points mentioned now, in case I forget them.

The connecting of the north and south metre gauge systems does not and would not commit us in any way to either the retention of the metre gauge or its conversion to broad gauge. That question has to come up in the future. It would be an enormous problem to consider conversion from metre gauge to broad gauge either in whole or in part. But the provision of the north and south metre gauge connection is an immediate necessity. It is required for commercial reasons, for fluidity of traffic movement ; and it is required for strategic reasons, and has been one of our very severe bottlenecks. During the war we have had to bring down coaching stock to Khandwa and then change it from broad gauge and switch it over to metre gauge ; it was a very expensive method. It does not commit us in any way whatever to the retention of the metre gauge system as a system, merely by providing a link between north and south.

As regards the remarks about some of these other smaller projects, as I said before, they have been asked for by the Provincial Governments, presumably for good and wise reasons. The question of traffic and other questions will come out in the examination which is to be made by the railways. They will conduct a traffic survey and then they will be in a position to see whether there is anything to justify the carrying out of the projects.

As to the links that Mr. Santhanam asked for for the various railways, the projects are divided into priority and ordinary, and I will give details of mileage. On civil requirements the E. I. Railway has 354 miles of priority and 461 miles of other than priority. On the B. and A. Railway, 275 priority and 230 ordinary. On the B. N. Railway, 510 priority and 870 ordinary. On the South Indian, 49 priority and 111 ordinary. On the M. & S. M., 140 ordinary. On the G. I. P., 248 priority and 70 ordinary. On the B. B. & C. I., 27 priority and 17 ordinary. The O. and T. Railway has 30 priority and 103 ordinary, and the North Western has 463 priority and 217 ordinary. The total of the projects which are down on the tentative scheme under civil are 4,237 miles and the whole total, including strategic, is 5,100 miles.

Dr. Sanyal : What is this Sainthia-Bhairamara line ? It must be one of the high priority lines in Bengal. Sainthia is East Indian Railway and Bhairamara is B. & A. Railway. It goes west to east from the coal areas.

Sir A. Griffin : That has not got any priority shown against it at all at the present moment. As I said, this question of priorities, as we have shown it, is merely an expression of the Provincial Government's idea as to where it should stand in the list of requirements. It does not indicate in any way

that these lines will be built ahead of other lines. As the Honourable Member mentioned this morning, to avoid slump we may be forced to undertake lines in specific areas where there may be surplus labour.

Dr. Sanyal : I presume this question of the line from Sainthia to Bhairamara was considered important more for strategic than for commercial reasons.

Sir A. Griffin : It has not been shown as a strategic railway.

Dr. Sanyal : It would not be strategic from the military point of view, but it would be important for taking away coal from this side, if the Nalkati transshipment point were dislocated.

Chairman : Just one point about railways in South India. Mention was made by Mr. Santhanam of the extension of the Guntur line and the connecting of Bangalore and Mangalore. I think both these—continuation of the Guntur-Bezwada line and the connecting of Mangalore and Bangalore—would involve Indian States, Hyderabad in the first case and Mysore in the second. This covers only British India. We have not yet got the States projects.

Mr. Berry : I wish to associate myself with the remarks made by Dr. Sanyal and Sir Bijoy Singh Roy and Mr. Bannerman, and I am by no means reassured by the replies which Sir Arthur Griffin has given. Applying the case of the Barisal project, he said that one of the first principles was to develop territory which was hitherto inaccessible or which was hitherto not served. As a Railway man he means not served by railways so far as that particular area is concerned, which is a classic example. There exists at the moment a great network of waterways served by myriads of country boats and by many steamer stations. The projected railway line is a matter of about 80 miles in which I do not suppose the railway would place more than about 20 stations. There are in that area, at present, not less than 36 steamer stations and many more stations served by country boats. And in regard to country boats I would like to make it quite clear that from that area country boats at present carry over half of the traffic. I mention that because the point is one of speed. The public does want speed so far as passengers are concerned, and Dr. Sanyal made that clear and I would like to endorse that entirely from my own experience. There is a case for speed for passengers, and there the answer is surely a road. In regard to goods, there is no particular case for speed, as is evident from the fact that slow country boats already carry over half the traffic.

Sir Arthur went on to say that no project was likely to go through unless it was shown in the survey to be remunerative. I would like to make a categorical request to him here in regard to the traffic survey in that area.

That area is not an industrial area and I am sure it cannot be developed industrially for many years to come unless the map is completely changed. He referred to the prospect of traffic being remunerative and the point that I would like that survey to bring out is where is the traffic to come from? Let that be made clear in the survey and let that survey be made available to the public. Is new or increased traffic in view? My point in saying that there is not likely to be any industrial development there is to ask where is any new traffic to be secured? The railway can only take the traffic which is being adequately catered for at present by country boats and by steamers. It is all very well to say that the railway can secure remunerative revenue and that there are so many thousands of maunds of jute and rice, but where is that traffic to come from and who is carrying it at present? There are other interests which have got to be considered. I am speaking on behalf of steamer

companies, but there are other angles which are far more important, such as that which was touched by Sir Bijoy Roy, namely, public health. That was covered by the Govt. of Bengal when they last replied to this project in February 1939. The then Minister in charge of the Communications Dept. said in reply to a question about that particular railway: "The project was considered by the Govt. of India at the instance of the Provincial Govt. between 1914 and 1926. It was decided not to execute the project owing to its unremunerative character and the harm it was likely to cause to public health and agriculture." I do not propose to ask the Govt. of India to reconsider that decision. How it has since filtered through the Govt. of Bengal I am at a loss to understand. I was present at the Railway Planning Sub-Committee at which the Public Health Officer totally opposed this and other projects. I do not think I am exaggerating when I say that the Irrigation Engineer also opposed it because they asked for an indefinite and immense number of culverts. A ready assurance was given that all the culverts asked for would be provided, but if the Chief Engineer in charge of Irrigation has the courage to stand up for his case, as I hope he will, the amount of culverts required in that territory will make that not a difficult embankment but one 80 mile long pier. He suggested that financially it was an impossible proposition.

Perhaps, Sir, I should apologise for taking up your time and the time of the other Provinces here for mentioning what is purely a Provincial matter, but it does have a bearing on all the other Provinces here in that owing to the embankments involved and the large number of bridges it will be a terribly expensive project. I have figures here of the estimates of 1927 which show that the cost of that line, as then worked out, averaged about 2 lakhs per mile. The average cost of railways in normal level territory, that is, land not subject to flooding, during that year was about .7 lakhs, less than $3\frac{1}{4}$ of a lakh per mile. This means that for every mile of this Barisal-Faridpur line, if it goes through some other place in India, where the land is higher, is being deprived of about $2\frac{1}{2}$ miles of railway line, other parts which are not so adequately served as this area is at present.

The other assurance which Sir Arthur Griffin gave was in reply to Mr. Bauerman's question—as to what means of consultation there would be. He said there would be the Railway Manager who will deal with that and he should be approached. Now, I do not wish to make any disrespectful or personal remarks about the B. and A. Manager, who is a personal friend of mine and for whom I have the greatest respect, but it is to me like putting the accused on the bench and making him the Judge of his own case. I suggest you require an independent body, a body in which the other interests are represented, including the roads. In Calcutta, the I.R.T.D.A. have had no chance at all to consider these projects. They were never placed before them. There is a case for a lead from the Centre for stressing the need for co-ordination. If there was proper co-ordination down in the provinces, it would not be necessary for us to take up your time here by going into these provincial details.

Before I sit down, I would like to stress that point again that the Railways should lay their cards on the table when they make this traffic survey, and they should indicate the source from which they expect to get that traffic and who is carrying that traffic at present and who has carried it in the past.

Chairman: Let us take this as a test case. Can anybody tell us to what extent the Bengal Govt. consulted the local interests and the considerations on which they put forward the construction of this line?

Mr. Sarkar: As to the second point, as I told you last time in the Transport Advisory Council meeting, the Govt. of Bengal desired that there should

be adequate water passage and that is an important question which, I am afraid, will engage the attention of the experts at the time of survey. That is undoubtedly a very important question so far as this particular project is concerned. As regards the consulting of the I.R.T.D.A., they gave their views and the Bengal Govt. considered them before coming to their final decision on this particular project.

Dr. Sanyal : I am a member of the I.R.T.D.A. and I knew nothing about this consultation.

Mr. Sarkar : We got a letter from them in which they discussed all these points and all these schemes.

Dr. Sanyal : We never had these schemes forwarded to us before.

Mr. Ormerod : The I.R.T.D.A. opposed these particular schemes and I have been asked to record their opposition, in regard to which I would like to support what Mr. Berry has just said. Proposals of this nature however, I feel, should be screened at a provincial level rather than here where the majority of people attending the meeting are unaware of local conditions and cannot, therefore, be expected to judge the proposal or the merits of the case. Some machinery should exist at provincial level for dealing with these matters and in fact did exist before the War in the form of Communications Boards. Properly constituted, and provided they function regularly, these Boards could, and should, screen proposals of this nature at the provincial level. My remarks apply equally to certain schemes which are objected to by the I.R.T.D.A. in Madras which I am not referring to in detail in view of the remarks I have just made.

Dr. Sanyal : The position is this. The I.R.T.D.A. was never addressed directly by the Govt. of Bengal. One of the members of the Postwar Planning Committee of the Bengal Govt. brought it to the notice of some members of the I.R.T.D.A. that certain projects were in the offing. On the basis of that letter the I.R.T.D.A. took an opportunity of enquiring of the Bengal Govt. if it was true that they were proceeding with the scheme, and they said that they had comments on the scheme. It was never stated by the Govt. of Bengal that they had consulted the I.R.T.D.A.

Mr. Sarkar : I never said that we wrote to the I.R.T.D.A. but we got their comments and we considered those points.

Mr. Berry : I must support Dr. Sanyal again. What happened was that the Railway Planning Committee, of which I was a member, made a report to what was the Transport Sub-Committee on which the I.R.T.D.A. were represented. Unfortunately, the Transport Committee never held another meeting because in the meantime the Ministry had fallen and the Govt. of Bengal, in their wisdom, did not think that this Transport Committee could possibly carry on in the absence of a Minister.

Chairman : I do not think we need pursue that particular subject further.

Mr. Santhanam : I think the Chief Commr. said that if two points in British India were to be connected with a State, they would not consider those projects.

Chairman : We have not yet got the State projects and we cannot tie them together.

Sir Arthur Griffin : The railway projects in the States have not been finalised. We had a collection of requests from the States and they have not been reconciled at all. We have asked the Political Dept. if they could sort them out first.

Dr. Sanyal : The question of the Bangalore-Mangalore railway is something more than what is merely of interest to the State. It is one of the projects where the Western Ghats would have to be negotiated, and the States would not be in a position to undertake on their own responsibility such a difficult project. Mangalore is one of the prospective west coast points where we are likely to have coastal traffic developed to a very large extent.

Chairman : It seems to me that the general sense of the Committee is to take note of the plan, and to express the opinion of the Committee that proper machinery should be set up for adequate consultation between the Railway administration and the Provincial interests, and in Eastern India particularly those of river transport, and that proper considerations should be given to the question of public health.

Dr. Sanyal : I am afraid I would not agree with Mr. Gadgil in this respect of going back or going forward on the broad gauge question. The question of the particular gauge has become a question of sentiment. The metre gauge of Assam has been found to be quite capable of handling a very large amount of traffic during the war. If cheapness of construction is an important factor to be borne in mind, I would not readily dispense with the question of continuing two gauges for a long time. With regard to 2 ft. and 2½ ft. gauges, the sooner we do away with them the better and we could probably have roads in their stead. I cannot see any other alternative unless the country is to be involved in serious expense by doing away with either the broad or metre gauges. The connection between Khandwa and Hindoli is a very valuable connection for which we have been trying for years. In north and east India we cannot give up our metre gauge on the Assam Bengal Railway because eventually we may have to link it up with the Burma Railways, either in the north or in the Arakan side. If the entire South African Railways can be run on metre-gauge successfully and handle heavy goods traffic, the problem really is of improvement of facilities and we should not quarrel over the sentiment of gauges.

Mr. Santhanam : It is a pity that a large part of southern India is practically cut off from northern India because of this break in gauge. The whole of the Tamil country is metre-gauge and from Madras everything is broad gauge. So there can be no through passenger and goods traffic, and south Indians tend to become isolated owing to this break in the gauge. Of course Bengal does not want much railway construction and I wish the Chief Commissioner to turn his attention to Madras. We should like him to give us as much railway of the broad gauge as possible.

Chairman : I do not think we can minute much on the gauge question. It is a question which is constantly under consideration with a view to improvement of the position.

Mr. Gadgil : At least what can be noted is that in all projects of expansion, such as the Dhond-Baramati Railway that I mentioned, where there is necessity for converting a small bit into a uniform gauge, this question will be taken up quite apart from the general metre-gauge and broad-gauge systems. I really was not saying anything on this question at all. I was merely raising this question in order to know whether a decision has been taken. But apart from these two broad systems, wherever there are these small bits of branch lines and extensions are in view, they should at least be brought into line with the broad gauge or metre gauge to which they are connected.

Chairman : That is accepted.

Mr. Dogra : May I say one word on behalf of the Govt. of Madras? The Madras Govt. set up a Provincial Post-War General Reconstruction Committee, L1197DPD

and all these questions regarding roads as well as railways were considered by these committees and their recommendations sent to the Centre were based on those recommendations.

Mr. Ormerod : May I inquire if the public were taken into confidence by the Madras Govt. in this connection ?

Mr. Dogra : The majority of the members of the Reconstruction Committees were non-officials.

Mr. Ormerod : Nevertheless I have a strong protest from the Madras Branch of the I.R.T.D.A. against the proposals. I should like an assurance that they will be discussed in detail at the proper level and for this purpose Provincial Governments will be asked to set up machinery so that the public can express their opinion at the proper level, at the proper time and before it is too late.

Chairman : The question is what is meant by the public. You cannot have everybody representing the public. Your point is that the road interests should have an opportunity of expressing their views, and also the steamer interests.

Mr. Ormerod : The I.R.T.D.A. represents the interests of all forms of communications and should therefore be asked to express its views. I should like to read out an interesting paragraph from "THE COUNTY OF LONDON PLAN" :—

"It would have been possible—indeed, it would have been reasonable—for an authority with less confidence in the public than the L. C. C. to have regarded the present stage of the Plan as secret and to have circulated the scheme to the local authorities out of the range of the public's eye. Instead Londoners can be proud that the L. C. C. has—as it were—plastered their plan on the hoardings and has said, "Here is an idea for your home town, come along with us to make it better than we have it so far and help us to lead your fight to achieve it".

That is the policy for which I am fighting and for which I should like to get support.

Chairman : I think we have said that proper machinery should be set up to provide consultation between the railway administration and Provincial interests, particularly in eastern India.

Mr. Ormerod : In the Delhi area in particular, we have had complaints from industrialists that they are not consulted. They are the people who use communications and feel, therefore, that they should be consulted before plans are made. It all forms part of a general picture in which we are all concerned and if Govt. can provide us with the machinery to enable expressions of opinion to be made in time, it will avoid trouble, waste of money and much heart-burning.

Chairman : This minute will cover that. We will now pass on to the next item.

B. I. Road Transport and Road-Rail Co-ordination.

Sir K. Mitchell : I think perhaps from what was said this morning it may save a little time if I explain what is our idea as to the relation of this Code to the Motor Vehicles Act. At the present moment the Motor Vehicles Act is not in itself a co-ordinating Act except in one section, and that part which sets up certain statutory authorities who have wide discretion to arrive at decisions regarding the grant of permits and so forth, having regard to certain considerations which are set out in the various sections of the Act. And that being so, it is strictly not possible legally—although it might be done—but

the narrow legalistic view might be, that it is not possible for the Central and Provincial Govts. to enter into any agreement, or for this Policy Committee to advise on some policy to be adopted in the administration of transport, and in particular in all matters of co-ordination, because the statutory authorities at present set up under the Act are independent statutory authorities, and there is no way of compelling them to interpret their functions under the Act in accordance with any policy or decisions which have been taken. At present, as you know, under sec. 43 of the Motor Vehicles Act the Provincial Govt. after a rather elaborate procedure may itself fix maximum and minimum fares and may itself restrict or prohibit long-distance goods transport by road. Beyond that it can do nothing and has to leave everything to the discretion of the statutory authorities and may not interfere. Now the background of this Code is that we intend, if the legislature think the suggestion is acceptable, to move for the amendment of the Motor Vehicles Act to enable Provincial Govts. to give a direction to the statutory transport authority in certain matters specified in the Act by the Legislature in respect of fixation of fares, in respect of control of long-distance traffic and generally in pursuance of a policy agreed to between the Central and Provincial Govts., or in pursuance of an agreement regarding interchange of traffic between two Provinces. The Code as such can have no effect whatever until such legislative provision is made and Provincial Govts. give directions in that way in so far as they ratify the Code. And the Code is the result of the last meeting of the Transport Advisory Council, when the Provinces agreed that in the interest of co-ordination they would be prepared to administer motor transport in accordance with such a Code. It necessarily follows that the Code having been agreed to we now have to approach the Legislature to amend the Motor Vehicles Act, among other things to enable the Provincial Govts. legally to give directions to carry this Code into effect. The actual provisions of the Act which will be necessary in that respect, I suggest, if the Committee accept the general policy, we need not discuss here in detail, because the Bill will be circulated to Provincial Govts. for opinion. It will be published and after introduction in the Assembly it will doubtless be referred to Select Committee before it is finally passed; and any slight differences or inconsistencies that appear now in our general outline can be remedied at that stage. I hope I have made it clear that this Code is merely a transitional arrangement until something better is possible under the revised constitution. It is a transitional arrangement setting forth the policy which the Provincial Govts. are prepared to follow in giving directions to the transport authorities under them, when they are legally empowered to do so.

Dr. Sanyal : In regard to this subject I feel I should invite your attention to my observations at the first meeting that co-ordination between road and rail can be secured only if there is complete nationalisation of both. Otherwise it is idle to think that by makeshift arrangements you would prevent any large degree of competition anywhere. I accept the urgency of this Code at this stage because of the absence of any other suitable machinery that you could think of. That is all that this Code can merit. But apart from that we would submit that in some important respects the ideas contained in the Code require further clarification.

In the first place I would request Govt. to consider how far this Code has come into line with the recommendations of the technical sub-committees,—their major recommendations on policy. In regard to passenger traffic that sub-committee stated that there should be no restriction whatever and they visualised the public being given absolute choice of their own in regard to passenger vehicles. The Code, on the contrary, visualises joint rail-road companies in

which the railways will have, not a preponderating, but some effective or substantial interest in such companies. I still feel that such joint rail-road companies will not be in a position to ensure co-ordination or eliminate wasteful competition. In a joint rail-road company either the railways have a voice or they do not have a voice. If a public limited company is running for the profit of the shareholders it will be the business of that company to run it in the best commercial way possible, irrespective of whatever opinion the minority of shareholders may be holding. The management of that company will not be worth their salt if they act otherwise. If, on the other hand, such a company has a preponderating influence of the railway members on it, it will soon lead to stagnation and the interests of the public might suffer. So that the only way to ensure co-ordination is to have complete nationalisation, with some other authority than the joint interests to advise how to ensure co-ordination between two nationalised institutions. I would rely for such co-ordination more on the provisions of the Motor Vehicles Act and the rules which provide the setting up of provincial transport authorities, regional transport authorities and the like; and if so far such authorities or such machinery have been found not sufficiently responsive to the needs of the situation, a suitable modification of the rules or amendment of the Act may be called for. Even when you have joint rail-road companies you cannot do away with the healthy provisions of the Motor Vehicles Act and the rules which lay down how permits will have to be issued, what numbers of vehicles can be used from point to point, what rates and fares are to be permitted and what services are to be ensured. So that ultimately we have to depend on the provisions of the Motor Vehicles Act and rules for actually determining the conditions of service and so forth. If that is so, why increase the trouble? Why have other complications.

I find that there is good justification for restricting long distance goods traffic. But there is also, as you have pointed out in the note, some difficulty in determining a suitable definition of 'distance'; which is long and which is short cannot be dependent merely on the length of 50 miles, 100 miles, or 200 miles. The interpretation depends on so many factors, particularly on the nature of traffic, and for different classes of traffic different distances may be considered long or short. This being the position, I would once again repeat that road services be nationalized and as far as practicable Government or the Railway Board, whatever agency may be considered suitable, take upon themselves the entire responsibility of running road services wherever there is possibility or danger of competition, except on feeder road services. It will not do to say merely that we have not got the personnel or the trained staff and so on. During the war you had large numbers of trained staff for running motor vehicles. You could set up such an organisation much more easily than big combines or commercial bodies could, and if Government at this stage could not devise actual running operation under the Government's aegis they could at least have ownership of the fleet and leave the management for the time being, for a limited period, to suitable expert commissions of persons who have knowledge of business. If that is not possible for any reason, no other half-way house can help us out of the difficulty.

With regard to the goods services, I have already indicated that if we want to take away from motor vehicles their rightful claim to run long distances whenever they could take traffic, let them by all means be compelled to come into line with the demand of the community, and we might in a way accept the Government's claim that the interest of an individual transport operator or even the interest of one particular transport organisation must be made to submit to the interest of the whole community and transport

system. So let the long distance goods traffic be controlled and limited, but let simultaneously the Railways also be limited from their present uneconomic carriage of short-distance smalls traffic. There you will be distinctly giving something to the road which will help the railway, and railway operating would also improve, while correspondingly the roads will not have the grouse that they are being unnecessarily handicapped in their free movement.

The third point that I would like to mention is with regard to the setting up of the administrative machinery and the procedure. As I have already stated, the entrusting to the Provincial Transport Commissioner of the authority to decide singly on all long-distance road carrier permits would involve difficulties which could only be met if there is a suitable appellate authority also. And if an appellate authority of an All-India character is considered too ambitious or too unwieldy to work, zonal appellate authorities might be set up. Without such an appellate authority the public would have a grievance that they are not being given a proper hearing, that the decisions which are taken are final and that Government's various departments are taking advantage of their position.

In regard to the Provinces, we would like it to be stated definitely somewhere in the Code that arrangements are being made to improve the finances of the Provinces to enable the Provinces to look into improvement of district and village roads. In the Preamble to the Draft Code the first refers to the common interest in the healthy development of all means of transport and in particular of transport on improved district and village roads. In the body of the Code itself, however, I do not find anything that will justify the retention of this Preamble unless there is some provision made for financial assistance to the Provinces.

There are other minor points ; for example the establishment and maintenance cost of the offices necessary for effective administration of the Code are to be charged to the Provinces. This is something on which I believe the Provinces will have something to say. If the object of the Code is to assist the Central Government, the Central Government should take some share in the financial responsibility for carrying out that object. I do not see any reason why the entire expenditure for the office of the Transport Commissioners should be borne by the Provinces.

Chairman : The Provinces have agreed to this.

Dr. Sanyal : As they now stand, yes. That is unfortunate. I would like in that connection to know what would happen if either at this stage any Province does not agree to sign, or at a future stage the future Government of a Province does not feel that this Code has been fair to their position ?

Chairman : The intention is to review this Code again. As I said it will be interesting to see how this works, and we shall proceed by evolution, based on experience.

Dr. Sanyal : The last point I would like to mention is with regard to private carriers' permits. The language as it appears in the covering note does in a way give freedom to private carriers to obtain permits more freely, but at the same time the renewal of such permits and the proposed limitations of these permits to specific commodities and between certain points raises doubts as to the intention of Government—whether they would like to allow private carriers to develop the carriage of their own industrial products freely, or not. I would like a little explanation on the procedure for the issue of public carrier permits, so that there may not be future misunderstanding. It is stated in particular :—

“The Provincial Transport Commissioner should not grant or renew any public carrier permits for a distance exceeding 100 miles along a

National Highway without prior consultation with the Central Government.

If 'prior consultation with the Central Government' is necessary in the case of public carriers' permits, it may take months. Can you not provide for a general direction saying that temporary permits can be given to tide over immediate requirements? the Government of India may of course retain the right to modify such permits at a later stage, or at the time of subsequent renewal to step in and even to cancel permits so as to prevent the mischief they are apprehending. 'Prior consultation' may delay the issue of permits to such an extent that public carriers would be very severely handicapped thereby.

With these observations I would request the committee to be more careful in regard to giving their blessings in a general way to the proposals, as has been done by the Advisory Council, because there are details which require attention and unless these details are thrashed out it would be difficult for all of us to give *carte blanche* to Government.

Mr. Godgil : Sir, I must say that it is rather a handicap that the Policy Committee meets after the representatives of the Provincial Governments have accepted most of the points put to them by the Central Government, because it does seem as if we are talking rather at large and almost to no purpose. Mutual decisions have been made, so to say, and what we say does go on record, but I do not suppose it will affect the decisions at all.

However, I am going to talk not so much about the Code as about the long explanatory memorandum, which is attached to the Code, which really is the more important document because it reflects the point of view that is dominant in the Government of India. And, if I may say so, that document is based on two sets of assumptions : One is, if I may be permitted to say, an alarmist view of railway finance, and another, if I may say that without offence, is the complacent view of present railway administrations in rate structure. I do not know what there is to justify the alarmist view of railway finance. During the early thirties, Indian railway finance suffered a great deal, but that was due to the direct impact of the agricultural depression and I have yet to see any set of published statistics which can be taken to prove that that worsening of the railway financial position at that time was due directly or indirectly to road competition. I was myself concerned in conducting a small regional survey during the middle of the thirties about road transport and the information I gathered certainly did not prove that and when, Sir, in those days one went to the Railways to ask for any information one did not easily get it. I do not know whether the conditions are very much better today, but that certainly was the position about 10 to 15 years ago. I therefore submit that the alarmist view of railway finance at the back of this explanatory memorandum is at least non-proven, and if we in Policy Committees are to take for granted a very considerable expansion of economic activity (and we are being told that that is what we are trying to build up for), then I contend that, with an expanding economy for which we are planning, railway finances need not necessarily suffer because of further development of road transport. I need not trot out the ordinary arguments (that after all everybody agrees to) that the development of road transport is not only competitive but also to a very great extent complementary to rail transport. If you look at the railway rates structure, the Indian railway rates structure above all, you will find that it is more chaotic than any pricing process anywhere to be found. In the U. K. and the U. S. A. railway development was largely competitive. Many parallel lines were built so that the railway rates were never so completely monopolistically framed as here. I think a large number of us have read reports of committees right from 1874

onwards, and I do not know of any responsible person who has examined the Indian railway rates who has given them the sort of encomium that is sought, to be given in the memorandum here. A very considerable deal of adjustment is required in the Indian railway rates policy. Let me give you one case. In the goods rates it is generally found desirable that you should charge the high valued goods more in order to enable you to carry the bulkier cheap ones. You will find it curious that in the case of passenger rates, it is always the other round. The convenience and the comforts of the higher class passengers are largely subsidised by third class rates. So you have the result of discrimination working in this way : in goods rates one policy : in passenger rates another ! I merely give it as an illustration to show that a monopoly position does not lead to rationality. Therefore the whole basis from which this explanatory memorandum starts—that the present rate structure and the monopoly position of the railways has to be bolstered up—is to my mind utterly wrong. It is something which unfortunately the railway system in India has been doing to keep up their monopoly. I was therefore very much disappointed to hear that a body like the Inter-State Commerce Commission was difficult to set up in this country. Because, until you have some body which really can sit and examine the rate system as such and say this is a reasonable rate to be charged for this traffic, nothing good can result. The way in which the problem is tackled in the U.S.A. is this : the Inter-State Commerce Commission sets itself that task, and says this is the reasonable rate for this traffic and for this distance and leaves it at that. That is the only reasonable way of tackling this question. But we are going exactly the other way.

Then the question of monopoly. It is another very curious result of this position that railways now want roads to come into this monopoly so that the rates structure will be modelled on the railway structure instead of, as has been happening all over the world and has been welcomed everywhere else by all transport economists, that the rates structure of railways and transport in general, should come on a more uniform competitive basis. Once you have a road-rail monopoly the road is no longer interested in quoting a competitive rate at all. It will adopt wholesale the structure that is being prepared for it by the railways and will go on in this manner.

I am positively alarmed at the results of this. I will mention, though I do not want to tire this House, one or two points which appear important to me. Take the question of regionalization. It is a very well known fact to any ordinary transport economist that road structure as evolved by motor transport is a structure that favours dispersion of economic activity. There is no discrimination between place and place. In the railway rates structure what happens is this. If Ahmedabad or Sholapur has a large number of mills, then the rates for carrying piece-goods from there all over India will be much smaller than from a place like Poona. Actually Sholapur goods will be carried larger distances than the goods produced by the Poona mills. In the motor transport structure that would not happen. Therefore it is well reckoned that the motor transport rate structure favours general dispersion of economic activity whereas this favours concentration.

All of you know the old complaint that Indian railways have concentrated at a few ports almost all trade and industrial activity. Now just when the opening of the country by roads is going to lead to a lot of dispersion of economic activity, you come round, and, because of the interests of railways, impose on the road transport itself a rate structure which, I generally put it to you, is in its structure broadly inimical to the long interests of the country. We want a general dispersion of economic activity throughout the country. I want to know the data for scientific zoning. I have been wanting to know the data for a very long time and I have not been able to discover them. I

suggest anybody has the data for scientific zoning : not only the railway authorities because they do not know today what traffic is going to be carried by whom and at what costs and in what manner : and especially they do not know what is going to be the real nature of the competition when you have a properly regulated trade transport. I am not for chaotic competition at all. I myself advocated, long before the Motor Vehicles Act came into being, strict regulation and licensing, and regional administration of road interests : but once you have that structure, and you are really in a position to examine, you can gather the data. Ten years hence you may be able to say, given these conditions, it really seems to be uneconomic. Then you can go and either prohibit it or, much better, say to the road or rail or water that you shall carry at only this rate and no other, and when you have got there you can get a proper distribution. In this explanatory memorandum I find the British parallel being cited with approval a great many times. It is curious that the 1937 report of the Transport Advisory Council on rates and fares which advocates the approach that I am advocating has not been cited at all. Actually in Britain this was generally taken for granted, that road carriers will in time evolve a structure of their own which will be essentially different in character from that of the rail, and these two structures will continue to impinge on each with mutual benefit, and that it would be the real work of the regulating authority to see that they do not compete unfairly with each other. But you cannot, and this is the main point, say *a priori* that this is properly railway transport and this is properly road transport. You have not the data to say that. Further the position today is far too fluid to permit you to say that.

Planning depends on the assumption on which it rests. The future economic development will be different in scope from what it was in the thirties. To try and impose a road-rail monopoly and a rate structure on this fluid situation seems to me a fundamentally wrong approach. I am specially against this general imposition of road-rail monopolies. In some Provinces very drastic steps are being taken. Even in countries like the U.S.A., Committees are being set up to see how small business can be sufficiently guarded. In activities ancillary to road transport small business has thriven during the last 20 years, and the road-rail is deliberately stepping in to cut out all this small business. A few already rich people will make larger profit. More profits will come to railways. That is the result which I view with very considerable apprehension.

There is fundamental wrongness in linking your general views on road policy with what is going to happen to Railway finance. It is the same old thing. In the early days of Dyarchy, whenever anybody raised a point as to what to do about the excise revenue, if we had temperance, they said that Education would suffer. I am told that the Finance Dept. of the Govt. of India is very much opposed to taking a sectional interest of finance such as that of the Road Fund. Taking a view of railway finance by itself is also taking a very sectional view of Central finance. Therefore, let the general question of road transport development and road-rail co-ordination be considered entirely apart from railway finance. Railway finances are certainly not proving to be in as alarming a state as the Explanatory Memorandum has made out.

Mr. Santhanam : I agree about the rate structure, but I do not think that the illogical and irrational rate structure of the railways is due to the monopoly of the Railways, or that it will become rationalised if free competition between railways and roads is allowed. The irrationality is due to political and other causes. It has to be rationalised by direct methods, through popular opinion and proper machinery. What will happen if there is free competition between roads and railways will be that this irrationality will be emphasised by the railways trying to take as much as they

can where there is no competition, and by taking as little as they can where there is competition. It will only add to the present irrationality, and especially they will charge very high rates for long distance traffic and very low rates for short distance traffic. The existing irrationality will thereby be increased. Therefore, while I admit the irrationality of the present railway rate structure, the remedy is not free competition between the roads and railways. It is also said that this is a field in which the small investors are already doing some good business and it is wrong to do something to deprive them of their business. That is a point of view which has to be considered. Essentially, road traffic, like railway traffic, is not a proper field for private investment. At the first Policy Committee meeting I explained that my own view was that like railways, others must be nationalised and put on a proper basis. I would like nationalisation by the Provincial Govts. But I do think that public utility companies, consisting of the Provincial Government, the Railways and the public constitute a fairly reasonable combination, and to that extent I am glad that these companies are being promoted. I would suggest that one salutary principle should be adopted, *viz.*, neither the Provincial Govt. nor the Railways nor any other private carriers should have a majority interest. Because, once you give either of the three parties a majority interest, the other parties become nominal partners. You want real partnership between the Provincial Govt. as the guardian of the public—because Provincial Govts. are bound to be subordinate to the Legislature; they will have to answer to the Legislature—the Railways who are guardians of all-India interests and the road carriers. You should not allow these road-rail companies to be formed in a chaotic fashion. In some places, I am told, the Railways will have 85 per cent.; in others the Provincial Govt. will have 60 per cent. A friend from Bombay says that promoters are being paid 10 per cent. commission for promoting all kinds of companies. There is also the managing agency which has been fixed up and which the Central Govt. is unable to prevent. If you want things to be chaotic, let it be by complete freedom. If you want to have planned development, plan it properly. The only way in which road traffic can be planned is for complete Provincial Govt. nationalisation or through public utility companies in which all these three interests should be properly represented and no one should have a majority. It is always thought that only the Provincial Govt., the Railways and the existing Transport authorities should have an interest. I would like the public to be allotted a share, because, after all, the general public are the consumers. I do not see why a certain percentage of the shares of these companies should not be open to public subscription. It is only then that you will have proper planned management. I think the case for monopoly in the road traffic is as complete as monopoly in the railway traffic. But it is true that this monopoly may be used anti-socially just as railways have been used, as Dr. Gadgil has pointed out.

The rates and fares have to be dealt with neither by these road-rail companies nor even by the railways but at a higher level. It will become the business of the Provincial and Central Govts. to institute some judicial agency to regulate these rates and fares.

Regarding the draft Code, it can be enforced up to clause 5. Sections 6, 7 and 8 will require legislative sanction. Sir Kenneth Mitchell has already said that it is proposed to seek sanction. Regarding arbitration, though the dispute may occur between two Provincial Govts. or one Provincial Govt. and the Centre, the matter will necessarily be one in which the other Provincial Govts. will be interested. It will be a point relating to the interpretation of the Code or the application of one section of the Code to a particular set of circumstances. But the same set of circumstances, the same interpretation may affect the other Provincial Govts. It is a wasteful business to take each case individually.

Then you will have a set of contradictory precedents. If there is any dispute, notice should be sent to every other Provincial Govt. so that any Provincial Govt. interested in the point may join in. If once on a particular interpretation an arbitration has been given, that particular point should not be brought again before another arbitration. Again, it is not stated who will appoint the Chairman, whether it will be by a majority vote or unanimity of vote and so on. After all, there may be several parties, and you will have a great deal of canvassing for the appointment of Chairman. I would suggest that the Chairman must be appointed by either the Chief Justice of the Federal Court or by a High Court Judge of the Province in which the dispute may arise so that there may be no kind of intrigue in appointing the Chairman. That will conduce to impartiality of arbitration.

Now that these joint-road provincial companies are being formed, I am afraid that the public interest, especially in matters of convenience, seating accommodation, rate structure and others, will have to be guarded, and the only way in which it can be guarded is to ensure publicity of decisions. It is not enough that some particular interests are given notice of decisions. I think there should be a clause that, before a decision is taken, everything should be properly advertised in the press so that any one who feels interested might have an opportunity of saying something. If the interests concerned think that 4 annas per mile should be the charge, that would be done without the public having an opportunity to protest about it. The opportunity to the public should be given before a decision is taken. Therefore, I would like a clause about publicity to the proposed arrangements before decisions are taken.

Sir B. P. S. Roy : Sir, I would like to add my suggestion regarding the change in the character of the Provincial Transport Authority. We are proposing to place too much responsibility on the Provincial Transport Authorities. It is desirable that they should be of a judicial character rather than an executive body. For two reasons I make this suggestion. Firstly, it will create more public confidence if it is of a judicial character. Secondly, if you make its position more or less of an executive nature, it is likely to be influenced by party politics and you cannot eliminate it altogether. At the first meeting of this Policy Committee it was my privilege to suggest that the Central Transport Arbitration Tribunal should be of a statutory nature so that it may be lifted out of the realm of politics. Owing to constitutional difficulties I realise that it is not possible to set up such a body at the present moment. But in the Provinces at least an attempt should be made to set up more or less a body of a judicial nature and I cited certain sections from the Union Act of South Africa. I hope that that suggestion will commend itself to you.

Mr. Ormerod : Does the question of the 50 mile limit come in here ?

Chairman : It is altered in the amendment : under the amended Code it is 100 miles.

Mr. Ormerod : My association considers it ought to be decided on the merits of each case, based on the judgment of each regional authority.

Sir K. Mitchell : The only possible yardstick is some mileage within which the permit can be given. It is well known that up to 50 miles, taking double handling and terminal transport charges into consideration, in the majority of cases it would be cheaper to have road transport rather than the railway. We say that beyond 100 miles the question of the justification should be looked into, although the decision will be on the merits of each case. It must have some basis of mileage.

Chairman : And I may point out that B.1(2) of the conclusions on the Code suggests during the first year, until experience has been gained of the working of the Code, transport authorities should scrutinise with particular care applications for grant or renewal of public carrier permits for distances exceeding fifty and not exceeding 100 miles between places connected by rail.

Mr. Ormerod : Does that apply to lorries owned by private industrialists ?

Sir K. Mitchell : It applies to public carriers.

Mr. Ormerod : Is there any limitation on lorries owned by private industrialists ? We were told in the United Provinces that they have already introduced some limitation.

Sir K. Mitchell : The transport authority has to be satisfied under the Act as it stands in the case of a private lorry that it is going to be used for a bona fide purpose ; and clearly the longer the route for which the permit is applied for, the more the possibility of there not being a bona fide return load needs looking into ; but there is no arbitrary or quasi-arbitrary limitation as to at what stage the question has to be looked into.

Mr. Ormerod : The 100 mile limit of the public carrier does not therefore apply to private industrialists ?

Sir K. Mitchell : It is not in any case limited by 100 miles ; in the case of a public carrier we say that scrutiny should be made particularly after 100 miles ; in the case of the private lorry no limit has been specified.

Mr. Bannerman : In section 44(2) of the Motor Vehicles Act, it says that no person financially interested etc., can be heard. Does that require amendment, because in Provincial road-rail co-ordination the Provinces are financially interested and also the railway ? If they can be heard, why not the man interested in road transport ?

Sir K. Mitchell : It is a nice point as to whether the pay of the Provincial Motor Transport Controller depends on the solvency of the transport company in which the Provincial Government have a share ; but should there be any doubt on that question, we propose, if the Legislature agrees, to amend the Act to say that the holding by a Provincial Government of shares in a transport undertaking shall not be deemed to give Provincial Government officers a financial interest in such undertakings.

Mr. Berry : There is a point needing clarification or possibly amendment. Under Goods Transport—section 7(1)—ten miles is fixed as the radius from any railway station or steamer ghat. I would like to ask, does that consideration apply to any permit *per se*, that is to say, the grant of any permit, or is it intended to convey discretion to the authority in regard to distances exceeding 10 miles ? I do not know quite why ten miles has been fixed ; in the case of the steamer companies and I think in the case of the Bengal and Assam railway, there will be many exceptions to this ten miles limit : I think they are already operating up to a distance of 30 miles. I am wondering how the Provinces will interpret this limit. My anxiety is whether they feel they will be bound by ten miles and whether they can deal only with any distances in excess in very special circumstances ; and whether that might be frowned upon by the Centre.

Dr. Sanyal : As it stands, it definitely rules out any possibility of an interpretation for enabling a longer extension of service beyond ten miles, and therefore we would submit that flexibility should be retained, and the draft suitably modified, so that if the transport authority is satisfied in regard to the circumstances of a case that longer collection and delivery service should be permitted, it should have the authority to do so.

Sir K. Mitchell : The intention was—perhaps it has not been very happily expressed—that normally, meaning without any particular question, up to ten miles railways and steamer companies should be granted permits to run, unless on special considerations to the contrary, such as well-established public carriers serving the local area. It was not intended in any way to debar the discretion of the transport authority from granting what you might call collection and delivery services ; but they then become more feeder service for greater distances. We will look at it again ; if there is any ambiguity, I have no doubt that the Provinces would accept an amendment—although the draft has been agreed to by them—but I think they will bear me out that the intention is implied that short haul collection and delivery service should be regarded as normally the function of railway or steamer companies, without prejudice to their operating, if they want to, over longer distances.

Chairman : I shall now ask Sir Kenneth Mitchell to make a few remarks on the points raised. We are now talking about conclusions B 1 and 2, on the assumption that you do not wish to go into details in regard to the amendments to the Motor Vehicles Act, which will be published for public information.

Sir K. Mitchell : I shall take first the last comment made by Sir B. P. Singh Roy. I think it was really in respect of the amendment of the Motor Vehicles Act—criticising the proposal that transport interests should be represented on the P.T.A. and that P.T.As should be constituted from people likely to take a completely detached and judicial view of the matters before them. That was the point. The Act as it stands provides that the Provincial Governments will set up Regional Transport Authorities consisting of such number of officials and non-officials as the Provincial Governments may notify, and that no person having any financial interest shall be a member of the Provincial or Regional Transport Authority. The difficulty in the past has been that when the P.T.A. is considering matters of policy—not in respect of particular permits—there has been a feeling that, as far as the Provincial Authority is concerned, they should have sitting with them representatives of the interests concerned, because it has been found in practice that it is desirable to keep contact in the administration of road-rail and important inland steamer traffic. The constitution of advisory bodies such as the Provincial Boards of Communication achieved no particular functions except to be called together occasionally to advise, and the procedure has not on the whole been satisfactory. It so happens—I do not know why—when a body is merely called to give advice and the meetings are held at long intervals, that the work done is largely perfunctory. If Provincial Governments can amend that, it will, I think, be a great advantage. We did propose, in order to get over that, that the P.T.A. should include equal representation of road and rail interests and, where important, representation of inland steamer companies ; but that when the P.T.A. was acting on behalf of the Regional Authority, and assumed to itself the function of granting or renewing or endorsing a permit, those interests should not be represented and that they should not have any voice. This was discussed with the Transport Advisory Council, and opinion on the matter as regards Provinces is still largely divided, and the difficulty of legislating in List III subjects is that when there is difference of opinion as to how exactly things could be managed we cannot ask the Legislature to legislate absolutely. It was therefore proposed that the matter should be left optional, that the bar against any person holding a financial interest in any form of transport being a member of the Provincial or Regional Authority should be withdrawn in the case of the Provincial Authority, and we should replace that provision by one merely requiring any person to declare the financial interest he has. The opinion expressed by various members of this committee on that point will be borne in mind and the provision which is made in the Bill will be open to criticism long before the Bill becomes law.

Mr. Santhanam, I gathered, generally welcomed, as a purely transitional measure, the formation of joint companies or tripartite companies in which the Provincial Governments hold a share and he added that there should be reservation of a bloc of shares also for the public qua public. I would like to say that all these provisions in the Code are intended to be purely transitional. If it were a question of starting from the bottom to amend the Constitution Act so as to provide for proper and adequate machinery for road-rail co-ordination, then one might have very different proposals to make and this, I have no doubt, will be considered in due time when the revised constitution is under consideration. In the meantime we have to look to the next two or three years under the existing conditions and everything proposed in the Code is merely a temporary makeshift.

I think the only point that Mr. Santhanam quarrelled with—perhaps he will let me know if there were more—was the limited nature of the arbitration authority which limits the purview of a particular dispute which might interest a large number of people. That, I think, is a matter which might be considered, as to how far greater publicity could be given and more Provinces brought in to the consideration of an important point under arbitration. We will study all the comments on this Code which have been made, and in consultation with the Provinces consider whether that point could be met. But we felt that there is no means by which the Central Government or any single authority could impose any particular form of arbitration under the constitution as it stands and we adopted this as a simple method to get over the immediate difficulty.

As regards the high powered and high level criticism of my friend Mr. Gadgil, I would say that if we could start from the bottom and revise the constitution so as to have a supreme authority who could co-ordinate transport from the purely scientific point of view which he advocates, we should not be proposing these make shift arrangements and I have no doubt that in future some more comprehensive machinery will be set up. But I think that as regards passenger transport a lot of his objections to taking a permanent line now from which there is no retreat will be met, if I explain that under the proposals to amend the Motor Vehicles Act there is a proposal that the maximum period of validity for a permit should be extended from 5 to ten years to allow greater stability, but that the permit should contain a provision that after the expiry of, say, five years and at intervals of six months thereafter the Provincial Government should have power to step in and acquire the concern, should it wish to run it as a public utility corporation or as a Provincial concern or something of that sort. I do feel that a very definite policy ought to be laid down now to cover the transitional period.

As regards Professor Gadgil's remarks about railway rates, the difficulty of course is again that we are planning on a short range basis. He stressed the fact that we know nothing about the economic zone as between motor transport and railways at the present time, that we have to find out by statistics and that the control has to be by evolution. To that extent perhaps he reinforces the suggestion that the disposal of goods permits should be by a single authority who should be able and should be made, if he knows the job, to make a proper study of these things and not by a composite authority, many of the members of which are busy people otherwise and do not read the papers until they sit down in order to decide a very ticklish matter.

Dr. Sanyal said that the Code departed in important respects from the recommendations of the Technical Sub-Committee. I do not think it does. I think the technical sub-committee said that there should be no artificial restriction of road services in the interests of railway finance, and went on to say

that in order to render this possible the railways should go on to the road and take an interest in road transport. That is exactly what is being done.

We did not suggest that there should be an unlimited expansion of road passenger transport irrespective of its effect on railway finance but that railway should go in and form a co-ordinated service with the expanded motor service. I think that covers all the points which I have made a note of. If I have apparently avoided answering any awkward question, I would like to be told about it.

Mr. Deshmukh : I have no complaint to make so far as the covering of points is concerned, but I am not satisfied with the reply given to the point raised by Mr. Gadgil. It is probably rather for the railways to answer the question that he has put i.e. whether there have been sufficient data already gathered as a result of which railway rates are going to be imposed on motor transport, and whether it is not true that in spite of the fact that the railways are making such huge profits, the same rates are going to be imposed on motor transport. I would request, if it is possible, that a more satisfactory reply to the very cogent and very powerful plea put forward by Prof. Gadgil should be given.

Sir A. Griffin : Mr. Gadgil said that the intention was to impose the railway rates structure on the roads. There is no such suggestion at all that has been made. From conversation I had with him since, I gather that he did not believe that we were imposing the railway rates structure on the road, but with the effect of the monopoly when it develops the roads may incline towards adopting the rates structure of the railway merely by force of circumstances. His argument for that was that the railway rates structure was really antiquated and that the system of charging what the traffic can reasonably bear is wrong. I cannot agree that it is inherently wrong ; it may have misapplications at times ; but the railway rates structure, complicated as it is alleged to be and as we agree that it is, is in the process of being modified and we certainly hope in the relatively near future that there will be a modified rates structure which will be a very much simpler one and will remove a lot of what Mr. Gadgil rightly complains about as regards the exceptional and the station-to-station rates. Many of those are dead rates and those rates are at the moment being struck out of the list. Each railway has instructions to cancel all dead rates, that is to say, the rates which have not been operated upon, and I hope in the future the railway rates structure will be more simple and will, I think, bear the criticism of Mr. Gadgil. There is no intention whatever of imposing the railway rates structure on the roads. The roads in their operation will, I am sure, have a very simple structure possibly consisting of one or two classifications of rates, but that would be for the road interests to determine themselves. The railways certainly will not try to impose anything whatever.

Chairman : It is not very easy to sum up. I understand we have been discussing B 1 and to a certain extent 2. (1) the Committee generally accepts and, as regards 2, they wish to reserve their opinion until they see the actual draft of the clauses. Is that right ? (Agreed). Then as regards the Code, it seems to me that, subject to the points made by various speakers, there is general acceptance of it. We cannot in a resolution include all the points made. Mr. Santhanam had, for instance, several remarks to make on the desirability of uniformity throughout the whole of India of the percentages held by the railways and the operators and also the desirability of public subscription. I suggest, therefore, that it will be best to record in our conclusions that, subject to remarks on points of detail made by various speakers, the Committee agree that the Code may be recommended to Provisional Govts. for acceptance as a transitional measure.

Dr. Sanyal : What about the setting up of an appellate authority from the decisions of the Provincial Transport Commissioner when he decides singly ?

Sir K. Mitchell : The decisions of the Provincial Transport Commr., if he is given the functions of the Provincial Transport Authority, will be subject to appeal in the same way as those of the Provincial Transport Authority as already provided in the Act. That is to say, there will be appeal only to the prescribed authority, i.e., the authority prescribed by the Provincial Govt.

Chairman : There is one other point, that the agreement will be subject to clarification of para. 7(1) on goods transport, the 10 mile limit for collection.

Mr. Gadgil : So far as I am concerned, nothing said either by Sir Arthur Griffin or Sir K. Mitchell convinces me that it is necessary to impose road-rail monopoly as a transitional measure. That seems to me to be an astounding proposal. To try and impose a monopoly as a transitional measure is impossible.

Chairman : Does that apply to the whole of the Code ?

Mr. Gadgil : I do not really object to the amendments proposed to the Motor Vehicles Act. It is merely a question of the railways being consulted. What I object to is the definite clauses relating to the creation of a rail-road monopoly.

Chairman : " Subject to the remarks on points of detail made by individual speakers, and to objections by two members to para. 5, and subject to clarification of para. 7(1), the Committee agree that the Code may be recommended to the Provincial and Central Govts. for acceptance.

As regards the amendment of the Motor Vehicles Act, the Committee reserved its opinion pending consideration of an actual draft of the proposed amendments."

Dr. Sanyal : What about the Provincial Govt. having some say in the railway services in the locality concerned ? There should be some *quid pro quo* for the province.

Chairman : That is to a certain extent covered in the preamble.

Dr. Sanyal : There is something given in the Code itself, but what machinery is contemplated for that ?

Chairman : That was the question that was discussed with the Provincial Govts. To begin with, I may point out that on the lay-out of the railways we are probably for the first time discussing the construction of new lines from the point of view of the Provinces. That is a form of consultation over the whole of India which I think has not been fully adopted before. As regards consultation as to services, there are of course local advisory councils on which the Provinces are represented, and they can bring their view to bear on the improvement of the services offered by the railways to the public through them. But the main thing that we look to in the future for close co-ordination between road and rail is either joint companies or any other companies that may be formed. If, for instance, in the Punjab they decide to nationalise their road services and own the companies themselves we want to get working committees—joint committees—sitting to examine all the road-rail problems that arise, what should be the rates and fares over a particular section, whether you should take off a train and run buses or otherwise ; and it is through that machinery in particular that we envisage close co-ordination. If you have a joint company we still contemplate there will be a working agreement between the joint company and the railway covering these various points, and

regular joint meetings between the joint road company and the railway concerned ; so that all these problems of co-ordination can be dealt with through a joint committee which will make recommendations to the Provincial Govts. or to the railway.

Dr. Sanyal : I am afraid the point that was made by me is not likely to be met this way. Supposing between two points (between Calcutta and Asansol for instance) the railway has got certain services and certain carriers come up with a project to run services for long-distance goods and long-distance passenger services. The Transport Commissioner has a headache as to whether to permit increased facilities over the road, and he consults the railway. The railway says, no, they can do it themselves. Then the Transport Commissioner must be in a position to state that the railway must increase its services, that instead of five they must have six trains a day and instead of so much traffic they have to take so much other traffic ; and that if that is done he is not going to put on more road services. The obligation to consult the railway is only a one-sided obligation because he cannot ask or advise the railway concerned to improve their services to make it unnecessary for road services to be put on.

Chairman : Why not ? He can do it through the local advisory councils or through direct approach.

Dr. Sanyal : The local advisory councils have no executive status.

Chairman : He cannot order the railways to put it on. But if the railways do not put it on when it is obviously desirable that extra services should be put on he has the power to put on extra bus services. The railway will have to make up its mind about it. The question will be decided in the public interest ; the ultimate power lies with the transport authorities.

Dr. Sanyal : That power is over the road services ; but there is no power, direct or indirect, over the railways, or even to advise the railways.

Chairman : We hope that under this co-ordination this sort of question will be taken into consideration.

Dr. Sanyal : This is all one-sided ; it is not co-ordination but imposition by the railways.

Chairman : That is what it is not. The final authority lies with the provinces.

Dr. Sanyal : The Provincial Transport Controllers can do nothing within one hundred miles without previous consultation with the Govt. of India.

Col. Trollope : I should like to make a suggestion in regard to clause 7(1) as a possibility of getting over the difficulty on some system of granting limited public carriers' licenses to railway and steamer companies exactly on the same basis as is done in the U.K. All railway vehicles or carts or country delivery services have licenses under limited carrier license, class B, and they are only allowed to operate over certain roads and within certain distances which are governed by the existing road services in that particular vicinity. And these licenses are granted by the local Regional Transport Commissioner.

Chairman : We will consider that. I understand there are difficulties about these class B licenses.

Col. Trollope : There are, but the actual distances over which these local services are allowed to operate depend on the conditions in that particular area.

Chairman : I think we had better consider that further. The main point of the amendment that we want is to see that the ten-mile limit is not rigid.

C. I. National Highway Scheme.

Sir K. Mitchell : The National Highways scheme is on the map which you have all seen, but I think in the light of certain remarks which were made this morning I should like to give you the broad details of the relation between the National Highway scheme and the rest of the development plan, if the committee will understand that at the present moment, when prices have soared and we do not know how far they are going to fall back, any over-all figures which I give as to cost are very approximate and are merely to give you an outline of the general picture.

The original road plan known as the Nagpur plan drew up a scheme of equal development of roads of all classes throughout India on a yardstick formula to determine the total mileage required, which amounted to a total of 450 crores of expenditure for development in 10 or 15 years, or however long it might take. That was for British India and Indian States. Now coming back to British India alone for the moment, the total according to that plan is likely to be of the order of about 350 crores of which about 60 crores will be on National Highways and the rest on roads of other classes. The estimated cost of maintenance of National Highways again in very round figures is about two crores to start with, and possibly less subsequently, as prices fall and as durable surfaces such as concrete replace the more quickly worn-out surfaces which are in use at present. There is no absolute priority of programme for the expenditure of these 60 crores ; it may be 10 years, it may be 15 years ; and the rate at which the expenditure will be taken up will depend largely on the priority given to schemes according to the condition of the road under traffic or the completion of the missing links in the whole scheme and the provision of major bridges. At the outset again is the question of providing employment. It may be necessary to pick on lengths which are not only desirable in themselves but which will also arrest slump tendencies and provide employment.

I mention these very rough figures because of the remarks which were made this morning regarding the abolition of the Road Fund. The Road Fund in the past amounted to 1-1½ crores per annum, and if the Central Govt. did nothing more than take over the liability for National Highways and provide for their maintenance and development, ignoring any expansion of the fund, the contribution which they made to Provinces and the States through the Road Fund would be returned to them, with something over, from the maintenance of the National Highways alone. Therefore the decision to abolish the Road Fund at least for the five years of post-war development and replace it by this very much larger contribution is not very illogical or a very serious hardship to provinces. The Provinces very naturally look to the restoration of some recurring fund from petrol revenues, and the Transport Advisory Council has noted accordingly. Of course in addition to that, as Mr. Narahari Rao said this morning, the Central Govt. propose to give the Provinces all the assistance they can in the way of revenue surpluses ; and the actual amount of these surpluses which will be applied to roads other than National Highways, education and agriculture and so forth, has not yet been decided. But in the meantime, for any work undertaken in the immediate future to meet unemployment and to counteract slump tendencies the Central Govt. are paying 25 p.c. So that the National Highway Scheme, although it is meant to be a permanent one, is not a scheme of development at a scale of expenditure which would mean development of highways at the expense of other development. The Provinces are relieved of the expenditure necessary on these roads, and they have been given other grants to develop other roads. As far as we can see, the Provincial programmes for road development are well balanced and take into account the necessity of developing district and village

ferder roads, with one or two exceptions where the Provincial Government feels that it is first necessary to make the skeleton of the National Highways before all the minor roads can be developed. But I myself feel that there is still in certain Provinces a good deal more to be done in the way of developing village roads.

That, Sir, is the general outline of the National Highways Scheme in relation to other plans, and the scheme has been generally accepted by Provinces, subject to one or two demands that roads that have been omitted from the original idea should be restored, and subject, of course, to adjustment of alignment in one or two cases. The conditions which were suggested to Provinces in paragraph 6 of the letter have been accepted by Provinces subject to one or two minor modifications which the Committee has seen fit to make. I may say that the present mileage on the paper before you amounts to about 18,000 of which roughly 15,000 miles are in British India and the other 3,000 in Indian States.

Chairman : We are trying to confine discussion to three points : whether you accept the National Highways Scheme with the conditions ; any comments that you may have on the map that is before you ; and, finally, any comments which the members wish to make on the Road Fund.

Mr. Dean : I am here not as a Government servant but as President of the Indian Roads Congress ; and I wish to say that the organisation which I represent has a membership of nearly 800, practically all of them engineers actively engaged in road construction and maintenance. I am authorised by the Executive Committee of the Indian Roads Congress to say that the body of road engineers in general views with alarm the abolition of the Road Fund, which allotted centrally collected revenues derived from road use to Provinces and States for expenditure on roads. It is appreciated that there need not be, and possibly even in principle there should not be, any direct connection between the revenue raised from a given source and the expenditure on the activities connected with it. In most cases there is no point in any such connection. For example, liquor and tobacco yield large revenues without any particular encouragement to their use. But in the case of roads the connection between revenue and expenditure is immediate. Neglect of expenditure on roads will at once be reflected in loss of revenue from petrol tax, and still more definitely will increased expenditure on roads bring increased revenue. In this it is akin to the railways, and it would seem that a similar rule limiting the amount of road revenue that can safely be allowed to go to general revenues should apply. In the case of the railways, it is understood that their contribution to general revenues is related to their capital and operating costs. The rest has to be spent on maintenance, expansion and improvement to enable them to maintain continued efficiency and indeed to continue providing revenue. It may not be easy to assess the equivalent proportion in the case of roads, though I feel it could be arranged by a statistical analysis of the results of operating Government sponsored road transport companies and, by applying the results, a division of the gross petrol and motor vehicle revenue as between general revenues and expenditure on roads could be arrived at. Unless this is done and Provinces and States can rely on an expanding—and this is the point I thought the Congress would want me to press—and most definitely earmarked source of funds for road works, the roads, we fear, will be at the mercy of any Finance Member who has a large programme of other expenditure or who is under pressure to reduce taxation.

The important points from the point of view of the interests I am representing are : (1) that some part of the grant from the Central revenue should be earmarked for roads and (2) that it should be related to the extent that roads are used and hence need expenditure, and should expand with increase

in the traffic using the roads. Another point with regard to the Road Fund which is also of considerable importance to technical engineering interests is the fact that from the Road Fund 10 per cent. reserve was retained by the Centre and it was used among other things for research. It does not appear that there is at the moment any specific provision for the financing of road research, in substitution for the Road Fund which is, one gathers, now to be abolished. I understand, of course, that research is an activity which is well in the mind of the Government of India. The activities of the new Planning and Development Department cover a Council of Scientific and Industrial Research. But again, earmarked grants are more likely to prove satisfactory to the technical road engineering interests than a dole from a general grant which is to meet the demands of scientists and technicians.

Chairman : The Indian Roads Congress oppose the financial scheme ?

Mr. Dean : We want to see introduced a scheme which has the merits which the Road Fund distribution system had of earmarking funds and providing funds which were in some way equated to road use.

Chairman : We are working now on a scheme of agreement between the Provinces and the Centre for centralising National Highways. This financial scheme is a corollary. Is that corollary acceptable ?

Mr. Dean : This one point as to the method of financing is the one which the Congress view with a certain amount of alarm. It is a change, and I am not quite certain as to whether the change is going to be as effective in providing funds directly for the purpose of road construction and maintenance as the earlier scheme was.

Chairman : What I really want to get at is whether they would turn down the scheme which we have before us on account of the feature that the Road Fund is going to be abolished, or whether you would accept the scheme, with strong emphasis on the need for providing an equivalent amount specifically for road purposes—as in the Council's recommendation.

Mr. Dean : The latter is our position. My organisation possibly more than any other is anxious to see a large expansion of India's roads, and if this scheme is to go forward, it should be backed, but it does fear that the method of financing now proposed, which substitutes in effect a cheque for what was earlier a banker's order, is not nearly so likely to be effective.

Chairman : They strongly support the view of the majority of the Provinces as expressed in the note ?

Mr. Dean : Yes.

Mr. Ormerod : I would like to support what Mr. Dean suggested just now, on behalf of the Indian Roads and Transport Development Association. In doing so I would like to mention that my Association was responsible for the suggestion of the Road Fund. At that time Provinces had no means of getting revenue for maintaining roads and there was little object in constructing roads if they could not find means for maintaining them. And so we asked the petrol companies if they would be willing to raise the price of petrol by two annas and give it to the Government for road purposes, provided it was guaranteed for road purposes. The petrol companies got into touch with their head offices in England and agreed to that proposal. The late Sir Ernest Miller and I myself asked the Bombay Government to put the scheme to the Government of India and asked them to support it. They said it was impossible for them to make any such proposal because petrol was a central source of revenue. We said we thought they were fully justified in doing so because the Government of India had made them responsible for

roads and they should, as in other countries, obtain revenue from roads in order to be able to maintain them. The Bombay Government subsequently made that recommendation to the Centre, and the Punjab Government supported it, and within a few months a meeting was held in Simla at which the proposal was considered by all Provinces and ultimately the Road Fund came into force. We are most anxious that the Fund should be maintained, because as long as the Provinces have got that Fund to rely upon they will be interested in developing their road programmes, and we do not therefore want to "kill the goose that lays the golden eggs."

Dr. Sanyal : The question of National Highways can be attacked from three angles. The first is the question of policy on which I have already spoken earlier and I do not want to repeat my arguments over again, except to emphasise that Indian public opinion is not satisfied with the proposal to run all-weather motorable roads from one end of the country to another to the neglect of the rural and district roads. The second point of attack is alignment, and the third, the standards and specifications of construction, the method and manner of construction and the materials for such construction.

With regard to alignment, the map presented to us merely shows a very natural course of road alignment which has been there for ages, and the so-called National Highways alignments shown here merely go along well known trade routes. There does not seem to be any new departure from the known routes except at certain points, and I am afraid on many of these routes the railways are already existent. In most of these routes, some kind of road already exists. So far as the roads that are already in existence are concerned, I submit that, except in zones where for obvious pressure of traffic improvement is called for, Government need not spend much money at this stage. And so far as opening up new roads is concerned, I submit that very great care should be taken to see that we do not ourselves create complications, through competition, as Sir Bijoy Singh Roy pointed out. It is not possible for the Committee here to examine each one of these alignments or to give our ideas or opinion on them. We can only lay down certain definite general principles for guidance. And the first principle that I would like to suggest is not to increase rail-road competition through something of our own making. The second thing that I would like to suggest is that big rivers, except where they are definitely canalised between points not very much varying, should not be bridged. We have had plenty of difficulties created through careless bridging of India's main arteries, the water courses. I can point out how difficult, if not impossible, it is to make roads, say, this road No. 35 from Calcutta to Comilla and the north with a supposed point somewhere beyond Faridpur as the transshipment point across the Ganges. The river there is constantly shifting with bank-cutting going on every year covering miles. It is not an exaggeration. Only a few days ago I was on that river, and in the course of seven days the river at Goalundo had cut the embankment nearly 150 yards and at another point nearly half a mile in a few days. At Nimtita the Railway Department, a few years ago contemplated heavy transshipment and built a yard at great cost. The whole thing had been washed away within one year; four miles of line was cut into by the river. It is absurd to think of any road project which would give continuous access through bridges over such rivers. I would submit that no attempt should be made to interfere with water-courses of such a nature. It would only lead to further complications and wasteful expenditure.

Chairman : What would you do to link up ?

Dr. Sanyal : I would leave the road at a sufficiently safe distance and permit temporary connections, with arrangements for ferrying across.

Chairman : That, I understand, is what is intended.

Dr. Sanyal : We have had terrible experience in that connection. Some of these projects like the Gouripur-Gauhati project, which goes on the other side of the Brahmaputra from Goalpara, appears to be completely along the same route as the railway project Bahadurabad-Pandu. There is neither a railway nor a road at the present moment. Some kind of communication is called for. What would best serve the community should be ascertained by joint consultation, not between the railway and the road authorities only, but also with the Provincial Government and the public. No alignment as it is shown here in red ink should be taken as final. There must be further exploration of each section of the alignment before you come to a definite decision.

Very valuable material was collected by the Bengal Government some years ago when Mr. King was asked to draw up the Bengal Road Plan, and in that connection it was revealed that some of these road projects would cross from east to west a number of water-courses running from north to south, and invariably these roads were likely to create obstruction to free flow of water leading thereby to deterioration in public health. Such roads should always be more cautiously proceeded with than others which do not raise similar problems. I would like, if it is not impossible, such roads or such sections of them as do not obstruct waterways to be taken up first, even though it means their temporary isolation. There I disagree with many experts and think that even if isolated sections are taken up now, with the resources that we have now, it would be very much better for the country, than to think of continuous sections of National Highway lines. We should keep this object before us : to go on constructing such portion of the same road as would immediately meet local requirements but eventually to connect them up as a National Highway. As I have said the alignment should be so decided as to enable industries and commerce to develop. In that respect, road planning should be dependent on industrial planning of the country. I quite appreciate the anxiety of some members to see that employment is provided to demobilised men early. I feel that such employment will be better provided if village roads are taken up, because they will not require technical training ; only earthwork is wanted, and simple construction is to be devised. I would submit once again : let us not make the mistake of spending crores of rupees on high grade roads to the exclusion of rural roads.

Coming to the specifications and standards, I submit that there should not be a uniform standard for these roads. Breadth, thickness, the amount of concrete, or if you have stone ballasting, stone ballast,—everything should depend upon the intensity of traffic section to section. There should be a traffic survey first made of every section. If you want to avoid wasteful expenditure, we should first start with traffic surveys straight away and we should not spend money irrespective of the intensity or volume of traffic. In this connection I would emphasise what some other members, particularly Mr. Kasturbhai Lal-bhai, stressed at the previous meeting, that we should try and utilise Indian materials, particularly cement and stone chips, and have concrete roads rather than go in for tar and water-bound macadam roads. And if you have cement concrete roads, the question of road rollers also will resolve itself ; we shall not require as many road rollers as we would otherwise, and we shall be in a position to give larger employment to our men and have better roads which would require much less to maintain in the future and yet be something like good National Highways. If, as I submit, Government decided on the policy of not necessarily having through motorable roads, this would be quite in keeping with the national aspirations which would demand employment of Indian materials as much as practicable. We would like to know what is the comparative cost of cement-concrete roads and tar-macadam roads at certain points. I

feel that even if the expense is about 20 to 25 per cent. higher for cement concrete roads, they would be on the whole more welcome than tar-macadam roads in the long run.

These are the three different aspects from which I would like the Government to approach this question, and until decisions are made I would submit that a small sub-committee should go into each and every project—a small sub-committee either of this Committee or of any other body. As I stated, in the case of the railways as also in the case of roads there should be one co-ordinating sub-committee. That would have before it both the railway and road projects, and unless that sub-committee—a technical and otherwise competent sub-committee—approves, no project should be proceeded with.

Sir K. Mitchell : Dr. Sanyal raised three main points, and I will as on the previous occasion deal with his last point first. He ended by asking whether I could give him a definite figure of the relative cost of cement concrete and tar macadam roads, given the same conditions of traffic. If Dr. Sanyal could tell me at what price the cement combine will sell cement hereafter, I would be in a better position to answer definitely.

Dr. Sanyal : Will Rs. 20 per ton be helpful to you ?

Sir K. Mitchell : Rs. 20 would be very helpful, indeed.

Dr. Sanyal : You will get it at Rs. 20.

Sir K. Mitchell : I am afraid that I had never thought that we could get it at so low a price as that.

Dr. Sanyal : Government can do it if they like. Government is going to give them machinery and other facilities, and you must reckon upon competition, in two or three years.

Sir K. Mitchell : At Rs. 20 of course a cement concrete road would be very highly competitive with any other form of construction. As regards tar roads, considerable quantities of road tar are produced in India. As regards bitumen, India has not in the past produced large quantities of bitumen and the possibility of increasing production is being examined.

I would like to make it perfectly clear that, in so far as National Highways are concerned, particularly on the approaches to towns, we shall have to provide for segregation of traffic and possibly provide for widths here and now which may not be necessary for some years to come. Every mile of National Highway will be designed for the traffic which we expect to go upon it within the next ten years. The specifications to be agreed upon would have to be related to climatic and traffic conditions expected upon the road.

As regards developing lines of National Highways where they do not exist at all, that is a very important point, and that point will have to be considered when we work out the programme.

It is not possible, particularly in Eastern Bengal, and is not the intention, to bridge the major rivers. About the particular crossing at Goalundo, I imagine we shall have to do exactly what you suggest about permanent roads. Where there is a steamer ghat there will have to be a temporary road made to the steamer ghat. It is not contemplated that we should bridge the Ganges at that point.

As regards not increasing road-rail competition, generally speaking, the whole object of the Government of India is of course not to have competition out of control but to have regulated competition.

I do not think that it is the policy of the Central Government to develop National Highways at the expense of the development of district and village roads which we all agree are absolutely necessary. As far as it lies within the power of the Central Government we will try and persuade the Provincial Government to develop, with the assistance of the Central Government, district and village roads, and we will develop the National Highways on a priority scheme related to the absolute requirements of the country.

Dr. Sanyal : With regard to the machinery of construction you suggest that the Provincial Public Works Department will be entrusted with the actual construction and maintenance also. Here I have some doubts. Previously certain works done by the Provinces on behalf of the Centre were not subject to the criticism of the Provincial Legislature nor were they subject to criticism at the Centre. I would therefore like to know the constitutional position. I had occasion to find out that the New Customs House in Calcutta was built at the cost of the Centre by the Provincial P.W.D. and that it was constructed in a very haphazard way. When the question was raised, the Minister in charge said it was a work done on behalf of the Centre and the Chief Engineer of the Government of India dictated the party to take it up. I would like to know how far the healthy control of public criticism will be permitted when the Provincial Government will carry out this work on behalf of the Centre and who would be actually examining the financial implications thereof. Will this amount be entered in the Provincial budget and the Provincial budget as usual be subject to criticism in the Provincial Legislature, or will the amount be allocated in the Central budget and will the Government at the Centre face the music in the Legislature to explain any maladministration with regard to these funds ?

Sir Kenneth Mitchell : The latter would I understand be the case ; and ultimately if the Central Government found that it was unable to answer the criticism directed against the Provincial agency, it would be forced to appoint its own agency, but we hope that that position will not arise.

Sir B. P. S. Roy : I yield to none in my desire to see the Government of India accepting a bold and I should say generous policy for the development of highways so that the industry of the country may develop with the development of our roads. But the roads are not always the highways in all parts of this vast country. In some parts I am inclined to think that the waterways should be looked upon as the highways, so that in those areas the necessity for roads should be examined with reference to local conditions. Sir, it is true that the Government of India are undertaking the liability of constructing and maintaining these highways, but they are not doing it merely as a gift to the Provinces or out of an altruistic motive. The highways are of strategic importance, the highways are of importance for the general development of the country, they are of immediate importance from the point of view of employing a very large number of people who are going to be demobilised. So it is rather placing the emphasis on the wrong point to suggest that as the Government of India are undertaking the new and very large liability of constructing and maintaining the highways, the Road Fund should be closed. I would like to repeat again that if the Road Fund is closed, the fate of the development of the district and village roads will also simultaneously be sealed. That has been my experience in a major Province. The Provinces have not got money even to maintain these roads properly. It is true that the Government of India are offering certain contributions for post-war development schemes but that money is a capital grant. What about the recurring expenditure ? It is no use throwing away the public revenue on roads which you cannot maintain in the long run. I

would therefore enter my emphatic protest against the proposal of doing away altogether with the Central Road Fund and I repeat, and repeat with all the responsibility and emphasis that I can command, that this proposal would never have been accepted or supported by the representatives of the Provinces if most of the Provinces were today functioning under the Constitution Act of 1935. It is a pity that the Provincial representatives today are absolutely under the control of the executive and they have very little responsibility to the public at large. So they come here and acquiesce in the proposals of the Government of India. I am sure that is not the public point of view. So I would request you to reconsider this proposal and at least to record my very emphatic protest on this particular point.

Mr. Calder : May I remove some misapprehensions which seem to exist in the minds of some of the non-official members ? It is not a fact that all Provinces acquiesced in this abolition of the Road Fund. There are some Provinces which have Ministerial Governments and on behalf of my province of Sindh I very strongly opposed the abolition of this Road Fund.

Chairman : The objection of the Provinces is recorded in the note to para. C. 1. Do I understand that you agree to the National Highways scheme subject to the strong emphasis behind the Provincial note on the subject of the Road Fund ? Or, are you opposing the whole thing ?

Sir B. P. S. Roy : I am not opposing the whole thing. I do not want the Road Fund to be abolished. You may reduce the percentage of the contribution to the Provinces if you like, but I would like it to continue to exist, so that in the long run the Provinces may fall back upon this special fund.

Sir K. Mitchell : As I said just now, the Road Fund is less than what the Central Government is giving towards National Highways, and it would take 40 years for the Road Fund to be what the Central Government hopes to do for the development of National Highways alone, irrespective of the further amount of money which they propose to give in general subventions which would be used for all classes of development including roads. The amount of money which the Central Govt. has to distribute is finite, and what can be distributed out of that is finite. The Transport Advisory Council, while they would wish to see the continuance of an earmarked fund for roads, have recorded that after the first quinquennium, during which the Road Fund becomes a drop in the ocean, regard should be had to the restoration of some earmarked fund for roads on an equivalent basis. By that time the new constitution will, we hope, have come into being and in the course of the adjustment necessary in that constitution it is quite likely that there would be a very different allocation of heads of revenue between the Centre and the Provinces and beyond recording that at the end of five years, after the first quinquennium, there should be some assured means of financing roads on an equivalent basis of the Road Fund, I do not think we can go further. At present it is a drop in the ocean and at the end of five years in fact it is practically certain that the adjustment of the heads of revenues between the Centre and the Provinces will come under a very complete review, and in the course of the decisions made in that review I have no doubt that those interested in roads will press very strongly for some very definite allocation of a proportion of the revenues to roads.

Mr. Santhanam : Sir, the existence of the Road Fund is necessary not only to continue a thing which has been existing, but to enable the Provinces to get a better allocation in the new constitutional scheme. The abolition of it will abolish one of their claims. In calculating their financial resources every Province will say that this should be included as an item of Provincial revenue. Now by abolishing it you substitute it by a block grant which is a

donation which will not give the Provinces a claim in adjusting their finances. You are going to spend three hundred crores. Why do you bother about this 1½ crores for the next five years? It seems to me to be unreasonable. There is no reason why the present practice should be departed from. I think the whole proposal is an unnecessary brain-wave of some minor official of the Government of India. I suggest that this meaningless proposal be dropped.

I would like to point out to you, Sir, that the whole West-Coast has no National Highways. I want that as far as possible the entire country should be connected by the system, having minimum specifications. If you look at the map you will find that the whole of the West Coast from Ernakulam to Bombay is not connected at all. I suggest that the points Ratnagiri, Goa and Mangalore should be connected to the National Highway System. I do not know when the West Coast will become strategically important. We do not know how things will develop. The Middle East threatens to become one of the storm centres. National Highways means not only better roads but some general supervision from the Centre and some control too, and therefore for all these purposes I suggest that the West Coast from Bangalore to Mangalore and from Goa to Hubli or Belgaum and from Ratnagiri to the nearest Highway should be connected.

Of course I suppose that by negotiation with the States the National Highway from Ernakulam may be taken to Cape Comorin. There are already good roads, but you have to negotiate with the States and convert them into National Highways. The whole West Coast should be more or less scientifically linked with the system of National Highways.

Sir K. Mitchell : Do you want a road right up the West Coast or branch roads from existing roads?

Mr. Santhanam : Branch roads from the existing National Highway to the coast.

Chairman : Do you want the National Highway from Bombay all down the coast to Cochin?

Mr. Santhanam : I have no objection if you can do it. Now you have a National Highway 100 miles from the Coast. I want that highway to be joined to the Coast at Goa or Mangalore.

Mr. Dogra : The Government of Madras has already proposed this National Highway on the West Coast and I think Sir Kenneth Mitchell was kind enough to consider it.

Mr. Santhanam : I firmly support it, though I find some duplications. Take the road from Dhamtari to Nowrangapur. It is proposed to have an alternative route. What happens to the existing road? Why do you want an alternative?

Sir K. Mitchell : The fact is that the existing road runs through two States and the proposed road runs almost entirely through Orissa Province, and Orissa Province is pressing for that road, and we have put it down as a possibility to be considered; it is also shorter.

Mr. Santhanam : The Central Government should display a more imaginative attitude towards the States. These States have become absolutely obstructive and most of them are very backward in this respect. We should help them. As far as possible we should try and persuade the States to fall in with our scheme instead of omitting them.

Sir K. Mitchell : I do beg to say that I am not doing what you allege. It has been suggested, but we have not finally decided, that another connection between two points on that road, which cuts off about 80 miles, might be investigated.

Mr. Santhanam : I presume the suggestion must be far advanced before it gets into a regular map ! When you go to the north, the new roads proposed are too many and you should not over-spend in a particular area. Of course, if the Provincial Government is prepared to develop them there is nothing to prevent them from doing so. Why is it necessary to have a new road due west from Lahore ?

Sir K. Mitchell : I confess without a long explanation on the map it is very difficult to follow. If you take the dotted line due west from Lahore, it hits the Indus at a place called Taunsa. There is an investigation going on about putting a bridge across the Indus, possibly at Dera Ismail Khan, where the existing road is and where the full red line is shown, but there is a proposition to put the irrigation barrage across the Indus at Taunsa. In which case it would be far less costly to combine the road with the bridge and put the bridge at that place. In that case these red lines shown firmly would revert to the classification of Provincial Highways and the dotted lines would be the National Highway crossing the Indus at Taunsa.

Dr. Deshmukh : I am unable to agree with my friend Dr. Sanyal that National Highways are unnecessary. First and foremost it is wrong to suggest that National Highways are going to be built afresh. They are already there and all that is proposed to be done is to improve them, for no other purpose or reason but to make them capable of holding the traffic that it is expected will go over them. This in my opinion was inevitable even in normal circumstances and has very little of post-war reconstruction in it. Dr. Sanyal wants us to confine our attention to district and village roads. If you will remember, Sir, I disagreed with Dr. Sanyal in this respect in the very beginning and expressed the hope that a compromise between the Government of India's point of view and that of the Bengal representatives would be possible. This I did because I am myself very keen on village roads, and yet I cannot help feeling that the Bengal representatives are overstretching the point. Dr. Sanyal does not want the big rivers to be bridged at all. This sounds to us astounding. What Dr. Sanyal said may probably be correct of Bengal because they have too many rivers. Our trouble is that we have too few ; and so let not the turbulent rivers and the representatives of Bengal penalise the rest of India. We will be quite prepared to recommend that no bridges on the large rivers going through Bengal should be constructed, but in the rest of India the want of bridges on the bigger rivers has definitely hampered development ; for example, the want of bridges on the Narbada between Indore and Khandwa and also a bridge so as to connect Gwalior and Bhopal with the Central Provinces. I am in favour of the continuance of the Road Fund, but not for the purposes and reasons advanced by my friends Sir B. P. Singh Roy and Dr. Sanyal. We all sympathise with the present plight of Bengal, but I cannot agree that the proceeds of the Road Fund could be utilised or should be available for district and village roads only. It is primarily the responsibility of the Government of Bengal and it is for them to find ways and means of discharging this responsibility.

My friend Mr. Santhanam recommended that the specification for National Highways should be the minimum, that the National Highways are going to be built to the minimum specifications. I would like to ask him what specification he recommends for village roads.

Mr. Santhanam : I think Dr. Deshmukh has misunderstood me. I said there should be a minimum below which it should not go, not that it should be a minimum by itself.

Dr. Deshmukh : In any case the National Highways are like the big irrigation canals and they must be capable of carrying all that we expect them

to. And for that purpose I do not think it will be wise to put any limit on what exact specifications they should bear. It should be proportionate to the volume of traffic that is expected on the road.

Then my friend Dr. Sanyal was very much concerned regarding the National Highways competing with the railways. I am totally opposed to the elimination of competition between the railways and the motors, at any rate so long as the railway administration does not become a little more responsible, a little more imaginative, a little more human and a little less corrupt. I for one would oppose the railways competing or coming on the road so long as the above does not happen. And this was precisely the reason that persuaded us to reject the scheme *in toto* 13 or 14 years back when the Government of India had come forward with exactly an identical proposal. I then represented the C. P. Government in the conference and the conference was manned mainly by popularly elected ministers from the Provinces; and there was an almost unanimous opinion that even in those circumstances the railway had never justified its going further and taking more responsibilities than it already had. And after the last six years' experience of the railways I am sure no one would be true to his conscience if he says that the railways are justified in coming on the road at all.

Sir B. P. S. Roy : Sir, on a matter of personal explanation, my friend Dr. Doshmukh has misunderstood me, and also I am afraid my friend Dr. Sanyal, if I may speak on his behalf on some of these points. We never suggested that the proceeds of the Road Fund should be earmarked entirely for the development of the district and village roads. In fact it was never done in the past and I am sure it will not be done in the future. That was not our suggestion. A large proportion of the Road Fund is kept in the hands of the Government of India for development of highways and other roads; it is only a portion of it that is allocated to the different Provinces. So it is not a fact that we suggested that the entire proceeds of the fund should be made over to the Provinces for building up district and village roads.

Secondly, it was not our suggestion that the big rivers should not be bridged at all, but there are difficulties, specially in the eastern part of the country, of which I am sure experts are fully aware. Our suggestion was that in accepting these schemes they should keep that danger and difficulty in view.

Mr. Nivas : In the matter of bridges I think Bihar faces the same difficulty as Bengal, being our adjoining province. In the Tirhut Division north of the Ganges we have the same bridging problems as perhaps Bengal has got. There practically all the rivers are shifting rivers, and I do not think it is the intention of Dr. Sanyal that we should not have any bridge anywhere in North Bihar. As you are aware, North Bihar is very thickly populated; it is perhaps the most thickly populated area in the whole of India; and surely it cannot be the intention that we should not have any bridges there. We have now certain bridges which can be removed when the rivers shift. So this matter should be left to the engineers; they will do their job and they will do it well.

Dr. Sanyal : One word of personal explanation with regard to this question of bridges. I should like it to be made perfectly clear that I never intended the absolute stoppage of all construction of bridges. All that I wanted to point out, while I was examining the alignment of road bridges, was that in fixing the alignment we should devise ways and methods to find out whether the river is shifting and whether engineers can conveniently devise the construction of bridges. In connection with the construction of a bridge over the Damodar at or near Burdwan this problem came up. There was a time when the railway bridge was actually approved and the Governor of Bengal

did lay the foundation stone for a bridge over the Damodar at one particular point. Subsequently it was discovered that it would be an absolute waste of money to attempt to construct a bridge there and so the project had to be abandoned.

Sir B. P. S. Roy : No, it is still there.

Dr. Sanyal : My friend Sir B. P. Singh Roy says the project is still there. If that is the case, then the site of the bridge will have to be shifted somewhere else.

With regard to the question of alignment I would take this opportunity to invite your attention to a sketch map of the Bengal post-war development scheme which was published about three weeks ago in the Bengal Government Post War Reconstruction planning, which shows certain roads as proposed National Highways and which do not correspond with the Government of India's post-war scheme. Am I to understand that the Bengal Government has got separate National Highways other than those contained in the Government of India scheme, or that the Bengal Government do not know what projects the Government of India were taking up as National Highways, or that the Government of India do not care to know what the Bengal Government recommended for National Highways in India ? I would invite your attention to these two matters so that you may find out what the position is.

Mr. Gadgil : I may perhaps be excused if I raise one or two fundamental points. I propose asking in the first instance why is a National Highway called a National Highway. I suppose the answer would be that a National Highway would be called 'national' because it is important for strategic reasons to construct it ; secondly that it is important for industrial or commercial reasons to construct and maintain a through route. I do not propose to say anything about the strategic reason, but I would advise this committee, especially in the light of the policy that the Government of India and the Provinces have now adopted towards road transport, to consider the *raison-d'être* of a National Highway system, in relation to passenger and goods transport. If it is definitely laid down that passengers and goods transport over any long distance are to be abolished then a complete system of National Highways to be maintained at a minimum standard of overall efficiency seems to have very little justification indeed. I would refer to a concrete instance. Take this alignment that has been shown—a road from Poona to Nasik—as a National Highway in this map. You will find that on that road, somewhere about 40 miles north of Poona you have considerable traffic flowing on to the G. I. P. system to Poona, and again about 35 miles south of Nasik you have traffic flowing to the northern G. I. P. line. In between these two points there is a patch, roughly of 50 miles, where the road passes through extremely hilly and difficult and very sparsely populated country. Now to build a National Highway will be in the circumstances utter waste of money unless it has some real strategic importance. That will make a difference, because the word 'strategic' covers everything. But supposing it is not strategic, then the present system, where you have got a fairly good road in the Poona area where you have southward flowing traffic and in the Nasik area where you have northward traffic, and where the intervening 50 miles are not built up to any particularly good standard, is from the economic point of view it appears to me, the only sensible way of doing things. I am mentioning this to show how the system of National Highways drawn up here deliberately dodges the main streams of traffic. If for example it was the intention to connect Poona with the Bombay-Agra road, the direct Poona-Nasik connection, which passes through a large part of very sparsely populated difficult hilly country, has much less justification than there would have been in a connection from Ahmednagar to Manmad which passes

through irrigated tracts where there are a large number of sugar factories and where you can think of traffic generating on the way. I deliberately put the question why is a National Highway called a National Highway? If it is one for carrying merely a comparatively short haul of passenger or goods transport, then there is no justification for a National Highway. A National Highway would in those circumstances be a stretch of road which is maintained by the Central Government, not to a minimum standard of efficiency but to such standards of local efficiency as local circumstances warrant. That would be a definition of National Highway then. Otherwise a system of National Highways would be, as some of us have been suspecting, mainly in the interest of that rather small but influential class of private car owners who want to go all over India. Once you say that the public carrier and the passenger carrier permit is restricted in that sense, a through connection by road which makes through traffic for hundreds of miles possible at enormous cost to the Finance Department is thoroughly unjustifiable. That is an elementary point. That may have been pointed out by somebody else in this committee. This is my first meeting. It seems to me an essential point to bear in mind when laying down the alignments for these projects.

That brings me to the financial point of view. I am afraid the Central Government has adopted a rather ambiguous attitude, if I may use the expression, in this respect. Is the Road Fund being abolished, because the National Highways are being maintained by the Centre? That, Sir, would be a *quid pro quo*; or is the Road Fund being abolished because the Finance Department has suddenly become aware of certain canons of financial propriety? Both those things have been put forward. I do not know which is to be accepted as the correct explanation. If the *quid pro quo* explanation is the correct one, then I submit that the importance of the strategic factor should be taken into account. In the N.W.F.P. for example, it would be very largely for strategic consideration, but in almost every other Province there would be a certain amount of alignment and a certain amount of maintenance of roads chiefly for strategic considerations, and Defence being a Central responsibility there is not the fullest *quid pro quo* for maintaining a National Highway system there. The Centre is doing something which it must do on its own account, as carrying out a Central responsibility. If it is mainly a financial consideration, then I am entirely at one with the Finance Department there. I entirely agree with the Finance Department that this is a bad system; taking any single source of taxation and allocating it for a single purpose to the Province is bad in almost every manner conceivable. I agree that the division of proceeds between the Centre and the Province should be in such a manner that there should appear nothing in the nature of dictation, subsidy or charity from the Centre. After all this is a matter of adjustments of responsibility. The Provinces have some responsibility. They must be given out of the national Government income the fullest share to carry out their responsibility. It is not the Centre favouring the Provinces either one way or the other. It is just a question of division. Because certain sources of income cannot be cleanly divided, adjustments have to be made from the Centre. The Centre collects income tax and passes on some of it to the Provinces, but that is not charity. It is merely attaining a balance of division of resources and nothing more than that. Looked at from that point of view, I would not at all object to the abolition of the Road Fund, provided there was a satisfactory division of resources between the Centre and the Provinces, agreed to by both. I do not know what is the meaning of the rather ominous phrase put down in some of these resolutions that the Central Government will see that an appropriate amount is spent by the Provincial Governments on district and village roads. I do not know how the Central Governments propose to do it. Is there any sanction behind it, or is it merely going to

be advice, or is it in the end a withholding of sanction? I do not know if there is any hint of a financial sanction lurking in the background. That is the sort of thing I would protest against rather than a thing like the abolition of the Road Fund, because, fundamentally I disagree very much indeed with the present manner in which the road programme is being pushed on. I quite sympathise with the professional attitude about road engineering. They only think of high grade roads properly constructed. They have a professional and aesthetic interest. As an economist my professional interest is to see whether our resources are utilised to the best advantage possible, considering all the interests involved. I want to see money spent in the direction in which it is most wanted and I feel that that is not being done at present. The Bombay Government is as reasonable a Government as you can expect, and yet that Government in a 60 crores programme for five years has allotted 20 crores to roads and only four crores for education. That is the sort of valuation which I cannot agree to. I can quite understand the building of roads if the traffic is already there or in sight, but this particular slogan 'build the road and the traffic will come later' is one that could not possibly be accepted by anybody.

This is a very important point which I hope the Transport Policy Committee will bear in mind. What this extremely poor country can afford is not roads of certain absolute standards. The absolute standards of other countries are not applicable to us, whether in Sanitation or Public Health or Education or even Roads. All that we can afford is a road which is just good enough to carry the traffic that comes through. Any extra money that is spent is luxury. It is expenditure that takes away money from other extremely urgent and fruitful expenditure. If this is merely a scheme of roads which the Centre is going to take on itself, and if it is not going to build the roads up to any artificial standards but merely going to maintain them up to standards that are justified by actual or potential traffic conditions, then I have no objection. There can be no objection to building a certain bit specially well because of strategic considerations. But if it means anything more than that—I am really not concerned whether it is Central or Provincial money; I know it is the tax-payer's money; it is not who spends it but what amounts are being spent—then I object.

Chairman : What modifications would you desire in the plan before you, in precise terms?

Mr. Gadgil : I was not thinking of specific modifications. The general idea was that the National Highway was a uniform, minimum standard highway. But Sir Kenneth Mitchell's reply to Dr. Sanyal raised the doubt that perhaps it might not be so. He seemed to suggest that bits of it would be of different standards. If all these bits are of different standards and not too much in advance of what are required, then it is merely a question of National Highway meaning a highway maintained by the Centre. To that I have no objection. My objection is to a highway, once it is called a National Highway, being built up to an artificial standard.

Chairman : (To Dr. Deshmukh) Do I understand you to object to the measure of agreement which the Centre and Provinces have reached on the T. A. G. ? You objected in toto?

Dr. Deshmukh : I do not object to the National Highway scheme subject to your remarks. But I object to the Railways coming on to the roads and creating monopolies.

Mr. Sarkar : Dr. Sanyal has referred to the differences between the Bengal map and the present map of National Highways issued by the Government of India. The reason is that the Bengal map was drawn up on the previous plan

of the Government of India. Subsequently, the Government of India have changed certain alignments of National Highways and these have not yet been incorporated in our map. We thought of issuing a correction, but as the new map of the Government of India is not final, we did not think it worth while.

Dr. Sanyal : I would have liked the Secretary of the Government of Bengal in the Communications and Works Department to have kept quiet over this question rather than give an explanation which on the face of it is absurd. There is not one single road in the whole map of Bengal which corresponds to the roads in the Government of India map. It cannot be said that it is a difference of one or two roads here and there.

Mr. Sarkar : The Government of India have changed the alignments subsequently without reference to the Bengal Government.

Dr. Sanyal : Either the Bengal Government has had a new plan which the Government of India were never aware of or the Government of India never consulted the Bengal Government. In a hurry they wanted to show that something was being done and so they printed something.

Mr. Sarkar : That is not the case at all. The Government of India I gather, have proposed certain alignments in the new map and they now propose to consult the respective Provincial Governments before they finalise the new alignments. This new map was not available to the Government of Bengal before they published their map. The Government of India map is the later publication. We did not get that map before we published our map.

Dr. Sanyal : The Government of Bengal are supposed to have published this book only about 3 weeks ago and it was not even available to the public. I had to get a copy on loan from the Post-War Reconstruction Committee. Sir Kenneth Mitchell's map shows the Grand Trunk Road. The Bengal Government map does not show any Grand Trunk Road. The Grand Trunk Road that goes from Calcutta to Peshawar is not shown as a National Highway in the Bengal map.

Sir K. Mitchell : I can assure Dr. Sanyal that if there is any difference of opinion between us and the Government of Bengal, it will be reconciled. As regards the Grand Trunk Road, it is tied up very much with the road to the West and the road to Madras. But I understand that every one is agreed that the Grand Trunk Road will not go through Chander nagore but it will be on a new alignment more or less west from Howrah, north-west in the direction of but not so far as Arambagh—not as far as Bankura.

Dr. Sanyal : It is shown as south of Bankura in the Bengal map.

Chairman : I do not think we can profitably go into details of alignment here.

Sir K. Mitchell : The Chief Engineers who met at Nagpur recommended the rough details of a scheme of National Highways. They also said that the real classification as between National Highways and Provincial Highways was one which might be adjusted, since they were both very much in the same class. If there are any omissions from the Bengal Government map, if our map shows a road as a National Highway, in the Bengal map it will be a Provincial highway if the Government of Bengal so decide. As regards the details of alignments, we had our own internal considerations to work out. I am sorry that we delayed in sending out what we considered the final system of National Highways and the Bengal Government had to publish their map before they had our final proposals. But this difference can be reconciled. I am not aware of any very serious difference between the two. Now that the Government of Bengal have had our map, if they differ from us on any point, we will consider it.

Dr. Sanyal : My difficulty is this. When we said, " Please do not rush with this project just now because the Provincial Governments are in the process of having popular Governments ", Sir Kenneth Mitchell and you, Sir, said that matters were very urgent and that you cannot wait any more. But if alignments have not yet been decided upon—the Provincial Government goes one way, the Centre goes another way and you do not know your own mind—the matter is bound to wait for at least another six months. Then why rush with Government's Policy Committee's decision ?

Chairman : That refers only to one section of the programme as a whole.

Dr. Sanyal : None of these roads on the Bengal map correspond with any of the roads of National Highways. For example, Dacca-Comilla, and Chittagong-Arakan. This road has all along been considered to be a vital road, which will open up the possibility of connecting eventually with Burma. That road is not shown in the Government of India map.

Sir K. Mitchell : That is intentional. We have not yet been able to consult the Burma Government as to exactly where they would link up. My impression at the moment is that there would be no connection with Burma by Arakan at all. It is not a suitable road to develop. The Government of India will classify that road as national after discussion with the Government of Burma and after they mutually agree that it is the best road for connection between India and Burma. But my information is that it probably is not.

May I take the opportunity of attempting to answer Professor Gadgil on his first question as to why these highways are called National Highways. In the first place, the idea is not original. Possibly Professor Gadgil does not think it very bright, but the idea is partly that the distribution of the cost of the roads should fall upon the administrative units which are mainly concerned. You get that in Federal countries. You get the Federal Highways in the United States—the State Highways maintained by the State, the Township Highways maintained by the Township and the local highways maintained by local units. This is in accordance with a very rough appreciation that it is the general public in particular of any locality that use these highways. It is the general public of the Province who use the Provincial highways, the general public of the district who use the district highways and so on. Then, Professor Gadgil said, " That is right, but if you are going to severely restrict traffic on these National Highways, then they lose their national interest since traffic is going to be segregated." As we said yesterday, we do not know what are the economic limits of prosperity. All we want to do is to regulate the limits of road transport in accordance with what is economical. There will be a certain amount of long distance traffic. Also, a system of roads which run throughout the country is necessary at any time in connection with defence, and if roads have to be developed to standards which are above the actual civil requirements of the locality to provide for emergencies which may arise in defence, then, under the present constitution, it is a Central liability and not a Provincial liability. But I must assure Professor Gadgil that as an Engineer, as a Member of the Roads Congress, we are not proposing National Highways in order that the Engineers shall have a free hand to build magnificent roads which are not required. Nobody has any such intention. The Roads Congress of which I have the honour to be a member, has evolved a slogan, " road-rupee ratio ". That is, put up the best available road per rupee that can be made. That is a matter of designing every mile, every 10 miles, every 15 miles of road to the best and most economic and lasting specification which it will be possible to provide. You ask how we can justify the road between Nasik and Poona as a National Highway, particularly that alignment which has a hiatus in the middle, where no traffic either originates

or stops. It is an inter-communication road and the specifications on the hill section in the middle will be adapted entirely to the traffic which is expected, and no more and no less. Take an extreme example. To switch over to the east, on the main approach from the West into Calcutta we should probably want to have a very expensive road, with perhaps a carriage way of not less than 40 ft. service roads, cycle tracts and so on. We will have the simplest and most economical specification which can be designed for the traffic which is likely to offer on that section.

I hope I have satisfied Professor Gadgil that because we have drawn red lines on the map, we are not going to have 20 ft. or 30 ft. concrete roads irrespective of the traffic. We have started some traffic surveys in Bengal through Professor Mahalanobis as a means of estimating what traffic will develop on roads when they are built. Our difficulty is that to a large extent the road programme is making up arrears of what is very badly required and should have been done long ago. If you have an impassable unmetalled road, you cannot survey the traffic on it because there is no traffic existing. Unless you make that road into a hard surface road, the road is impassable. There is not merely the question of the traffic that exists. It is estimating traffic that will come. We are approaching the matter on a scientific basis. All roads, whether a National Highway or a provincial highway or a district or village road, will be designed to the best of the ability of the Engineers concerned, to the specification likely to be best suited to the traffic that will develop under those climatic conditions.

Dr. Sanyal : What statistics has Professor Mahalanobis been entrusted to collect and what amount has been allotted for this work ?

Sir K. Mitchell : We have made the Indian Institute of Statistics a grant of Rs. 80,000. We are trying to take areas where there are good roads, and relate that to cultivated areas, to population and so forth, to see the relation between the cultivated area, the exportable surplus, and the traffic which develops on the road.

Dr. Sanyal : What has that got to do with road development projects ? Have you got any principles laid down ? We know that the Indian Statistical Institute can be used as a made-to-order statistician of the Government and they can produce anything if you pay the money.

Sir K. Mitchell : What we wanted to produce is this. Given a certain area with a certain population and a certain type of crop where there are good roads, what is the real traffic which develops on these goods, so that from that we may be able to build up some rough formula on which to estimate the traffic which will develop on roads which do not at present exist.

Dr. Sanyal : The usual method for that is as was done by Mr. King, to take certain typical roads and check up the actual movement of traffic during stated periods on it. That Mr. King did, and Mr. King's report contains some valuable data regarding the statistics of traffic on various roads. I understand that engineers of the past took this step and did not ask any particular Institute to prepare statistics in the way they wanted.

Sir K. Mitchell : I do not think you have quite understood my point. I will give a case from my personal experience. I wished to improve an unmetalled road in a certain province, where I was employed. I looked at the traffic on the road and came to the conclusion that a stabilised earth road would stand the traffic. But the road was then used by pack animals. After the road was improved, an intensive traffic developed upon it, people started using

bullock carts, tongas and motor buses which were never used before. An intensive traffic developed which was beyond the specification which I attempted to lay down. What we are trying to do is, upon the traffic count on existing roads, to form estimates of the catchment area, population and crop production, so that we can relate that to the actual traffic count and apply that to similar conditions. We are trying to arrive at the traffic that the road may be expected to carry when built.

Mr. Gadgil : I am personally interested. I shall be obliged—and I hope the other members also will be obliged—if you could let us have a note on what actually is being done. I am interested in traffic surveys myself. I have done a certain amount of traffic survey. I should like to do something in my own way. If we can have some information on what the Government of India are really attempting in specific areas, we should certainly be very glad.

Mr. Masterman : Before we close this subject, I want to say what I hope will be a final word on this question of the abolition of the Road Fund. It seems to me necessary to say this because several non-official speakers seem to be under the impression that the official representatives of Provinces at the T. A. C. meeting tamely surrendered to the Centre on this very vital question. But all those who were present at the T. A. C. know that that was not the case. With the exception of one Province we fought this question to the last ditch and even now—I believe I speak for the majority of the Provinces—we dislike this word “agreeing” in the note under C-1, Conclusions of the T. A. C. We did not agree. What we really did was to yield to the overwhelming force of Central finance. We agreed actually to the abolition of the Road Fund only on condition that money would be somehow definitely set aside to keep up these roads. I am not going into figures. They can be supplied by Provincial Governments to prove their case. On this question of figures, I only wish to say that we have been very frequently told in these debates that the Road Fund is only a drop in the ocean compared with the munificent gift which the Centre is making to the Provinces. If it is really only a drop in the ocean, I cannot see how all this fuss is made about continuing it or abolishing it. But my main point is not that. My main point is a very general one, and that is, that this is a Planning Committee as I understand it, and I consider it very bad planning indeed to plan for a big development of the roads unless there is some very definite guarantee somehow that the money will be forthcoming to keep up this large development. It seems to me to be a fatal mistake to plan for a large expansion and development of roads without being quite sure that we can maintain them. The Centre say that they cannot tell what resources they will have for allotment to the Provinces in 5 years’ time. Still less can the Provinces say what resources they will have at the end of 5 years’ time. It seems to me quite possible that in many Provinces, when a popular Government comes in, they will launch no doubt very desirable but expensive social reforms and will not be prepared to use their resources for the upkeep of roads. It does seem to me therefore, that this Planning Committee is making a plan for road development and that it is uncertain how far the Central finances and the Provincial finances would be able to keep up these roads. It seems to me absolutely essential that we should have, in making this plan, something definite, some definite guarantee that we shall have money to keep up the roads which we plan to develop. Therefore, I think it is very important that we do keep this Road Fund as a definite grant, earmarked from the petrol tax, for roads. I therefore consider that as this is a Policy and Planning Committee, it should record a resolution that it does object strongly to the abolition of the Road Fund. Guaranteed provision for maintenance seems to me a most vital point in any road development plan and I do sincerely hope that the Member for Planning will, on the

very definite opinion of this Committee, be able to counter the financial objections to this. I would just say this, that whatever resolution is passed at this Committee or the T. A. C., I know for a fact that the Madras Government will—and I think probably other Provincial Governments will—protest very strongly against that. It is vital to the whole plan of road development.

Chairman : In the T. A. C. we were trying to reach some sort of agreement. That is what we have recorded here. At the sacrifice of their feelings for the moment the Provinces did agree to a scheme which would enable us to proceed on the basis that was placed before you. You recorded your strong protest. I have drafted something here which I hope will reinforce that feeling of yours. I think that will meet your case. I think it was really correct to say that the Provinces did agree, under pressure if you like, but in order to get ahead with the scheme.

Mr. Masterman : It was under pressure. That is the point I want to make.

Mr. Nivas : There is always a difference between “agree” and “forced to agree”. We were forced to agree on that point.

Chairman : The Centre was forced to agree to a very large number of other amendments.

Mr. Nivas : There is another point I wish to bring to the notice of the Committee. I find there is an omission in the conclusions of the T.A.C. I do not know whether it is intentional or not but it is a sort of a domestic matter between the Centre and the Provinces. That is the question of agency charges of 10 per cent. As far as I can remember, we did agree to raise it from 7-1/2 to 10 per cent, but I do not find any mention of it being made in the tentative conclusions. I hope in the final report it will appear.

Chairman : We have a note to that effect and we can put it in the final minutes.

Sir K. Mitchell : As usual, the conclusions will be circulated to the Provinces and omissions of that sort can be pointed out.

Sir B. P. S. Roy : Do you approve of the idea of a resolution being recorded to that effect ?

Chairman : I have drafted one here which will embody the views of the Committee. It is not a question whether I approve of it or not.

Mr. Calder : I would like to say that on behalf of my province I fully associate myself with all that Mr. Masterman has said. Some of us have felt—possibly without reason—that the whole question of the Road Fund has been rather kept away from us. With some difficulty a few days ago I was allowed to touch on the subject of the Road Fund at a meeting we had a day before the T. A. C. met. The Provinces do feel that they have not been consulted. There has been no question of agreeing to the abolition of the Fund. It has been put down that the Centre will abolish the Road Fund. It has never been a considered issue, “if we give you the National Highways, will you accept the abolition of the Fund ?” Had it been put in this way as a straight issue, some Govts. might have had a lot to say. Mine would have.

Chairman : I think that I should intervene at this stage. I think that issue was put very clearly in the letter to the Provinces on National Highways.

Mr. Calder : It was in the letter, but when we discussed that letter, we were only asked to discuss para. 6, which contained a number of conditions. Para. 4 was not discussed until I insisted on being allowed to say something, but it was merely stated as a fact that in consideration of the expenditure on

National Highways, the continuation of the Road Fund would be more or less an anomaly. That appears to be the opinion of the Centre, but it is not the opinion of my Province. We did not agree and it is really not the opinion of the Provinces. If we are to get the National Highways, we must give up the Road Fund. If that is the position, we may have to agree. But it is not a fact that we capitulated without a fight.

Chairman : As I understood it, we had long discussion on the Road Fund and considerable discussion on the Code. The general conclusion of the representatives of the Provinces was that, on the whole, it was a reasonable agreement. They did not like the Road Fund proposal but in order to get ahead with the scheme they were prepared to recommend it to their Provinces.

Sir A. Dalal : It is not that the Road Fund is being given up as a *quid pro quo* for the National Highways being taken over, but also because the Govt. of India is going to make grants for roads as well as for other Provincial objects. After all, the amount of money with the Centre is limited. If the Centre allows the Provinces to take the Road Fund, and also takes up the National Highways and maintains them, then the amount to be given to the Provinces will be *pro tanto* reduced.

Dr. Sanjval : The point that is now raised by Sir Ardeshir Dalal was discussed by Mr. Santhanam some time ago. Unfortunately, he was not here at that time. Mr. Santhanam made it quite clear that the mere allocation of a certain sum as a matter of charity for the time being is a poor consolation for the Province that had a rightful claim to a continuing grant from a specific levy which was agreed to in the past on the distinct understanding of sharing by the Provinces. If the case is that the Govt. of India is making a very large grant, this 1-1/2 crores could be kept back from that grant or it may be deducted from that grant. But let us continue the Road Fund and the other amount may come as an addition.

Mr. Masterman : We in Madras would not object at all to the reduction of the total grant as long as we get the Road Fund for maintenance.

Sir A. Dalal : That is only a matter for the Finance Dept. to adjust in any way they like. The Road Fund will be a fluctuating amount and the amount paid by the Govt. of India would also be fluctuating, but on certain definite principles. It is a recurring grant, but the Govt. of India does not say what they are going to give to the Provinces as a matter of charity. It is done in the interests of the whole country. But the fact remains that what the Centre is going to give to the Provinces is several times the amount of the Road Fund ; it amounts to a colossal sum of money. The Provinces have been informed of what they might under the circumstances expect from the Centre and from that point of view the quarrel for this minor sum seems to me to be rather unnecessary.

Mr. Santhanam : I think this is a wholly unnecessary and superfluous change which the Centre is trying to make. We want the Road Fund to be kept as it is and further allocations to be made. We do not agree with the proposal that we agree to the abolition of the Road Fund. That is not our point of view.

Chairman : The issue is this. We had a discussion in the T.A.C. as a result of which the Provinces reluctantly agreed that they could not persuade the Centre to give them the Road Fund and they thought it reasonable to recommend to the Provinces that they would go ahead on the basis agreed. Non-official opinion wishes to record the same thing, that they think the Road Fund should continue. But I do not think you wish to push it to the point of recommending that National Highways will not proceed unless that point is accepted. What do you want the Committee to recommend ?

May I read this out again ?

" In accepting the general scheme of National Highways the majority of non-official delegates desire to place on record their support of the attitude taken by a majority of Provincial representatives at the T.A.C. in respect of the Road Fund. The majority of the Provincial and non-official representatives on the committee wish to record their opinion for the consideration of the Centre that some definite provision should be made for the statutory allocation from the petrol tax of funds, not only for road construction and research but also for maintenance. While recognising that this would entail a reduction in the sums available from the Centre for distribution to the Provinces.....

Mr. Santhanam : My objection is, if we agree to the abolition of this fund and the creation of another fund, to the discontinuity. I say, why do you want to discontinue it ? We want the existing Road Fund to continue till it is changed by constitutional readjustments and I believe financial adjustments can be made with due consideration to the allocations of the Road Fund. Some of the Provincial representatives may have agreed under pressure : but at least non-officials here do not agree to the abolition of the Road Fund ; we suggest that the allocations from the fund may be taken into consideration in making further grants. That is our point of view.

Dr. Sanyal : Is this draft a comprehensive conclusion on the entire National Highways scheme ? You start off by saying " In accepting the general scheme of National Highways " ; and by saying that you have only side-tracked the major issue of National Highways and you have focussed non-official view only with regard to the question of contribution. I am afraid the main controversy was in regard to the whole policy of a National Highways scheme to the detriment of district and village roads.

Chairman : Let me continue. " They also wish to stress their opinion that consideration of the National Highways scheme should not be given such priority or that they should be built at such a standard as to prejudice the construction of village and other roads."

Mr. Santhanam : As regards the first part, the non-officials do not agree to the abolition of the Road Fund.

Chairman : The point I put was, do you wish to press that objection to the point of destroying the National Highways Scheme ?

Mr. Santhanam : I do not want to press any point. That is a point which the Govt. of India may or may not press. I only say that the present Road Fund should continue. That is all. It is a matter for you to decide whether, when you are dealing with thousands of crores, you are going to object to this 1-1/2 crores—that is a matter for you.

Dr. Sanyal : Agreeing to the National Highways scheme is a formula which I am afraid will not be acceptable to us. We definitely say that we do not want the National Highways scheme to be pursued unless district and village roads are sufficiently provided for.

Dr. Deshmukh : That is not our point of view : we want National Highways.

Mr. Ormerod : My mandate is to support National Highways but to oppose the abolition of the Road Fund.

Chairman : Let us get on to the next item and I will try and prepare a draft in the meanwhile.

Dr. Sanyal : Another solution would probably be to report the proceedings in extenso.

Chairman : The proceedings will be recorded ; but I will try and prepare a draft that can be agreed to here.

B. 3. Employment of Ex-Service Men in Motor Transport.

Mr. Conran-Smith : It may perhaps help the committee in their consideration of this item, namely, the employment of ex-servicemen in motor transport, if I say something briefly about the position as it emerged from discussions with Provincial representatives. While it was made clear that in the view of the Provincial Govts. there was no scope for cooperative units of ex-servicemen for the operation of motor transport, the discussions seemed to show that, in the Provinces likely to be largely concerned with the problem of employment of ex-servicemen, plans for their absorption were well advanced. In one Province it is proposed to employ a considerable number of these ex-servicemen in departmental works and on civil supplies : for instance, lorries to be used on road works and on supply works. Other Provinces may be evolving similar plans. The other proposal which this committee would perhaps wish to consider is the employment of these men in transport companies ; and that brings me to sub-para. (2) of conclusion B. 3. You will see there that there is a proposal to move the Governor-General to promulgate an Ordinance requiring transport operators to reserve a prescribed percentage of all future vacancies for ex-servicemen, at rates of pay not less than those prevailing in the locality. I should perhaps explain that what is actually proposed is a very short Ordinance adding to the rule-making power now conferred by the Motor Vehicles Act a power to require transport operators to reserve a percentage of vacancies, and the power to fix rates of pay for ex-servicemen. This will be an enabling provision to be used by Provincial Governments if required. One Province was inclined to prefer an alternative method of securing the employment of ex-servicemen in road transport, and that was a prescription that for a limited period licenses to drive public service transport vehicles would only be given to ex-servicemen. The majority view of the Council was, however, that this was too drastic a provision and that the rule-making power to compel reservation of a percentage of vacancies was preferable.

Two other points arise which I might perhaps mention briefly. One was the question whether a transport operator would have an unfettered choice in selecting his employees, provided that the men taken to fill the reserved vacancies were ex-servicemen. The reply to this question was given in the T.A.C. in the affirmative : that is to say, the Labour Deptt. made it clear that there will be no compulsion on the employer to take a particular man if the employer happens not to like his face or his eye-sight or anything else about him. It was also explained by the Labour Department representative that the employment exchanges will maintain a list of qualified drivers, etc., and will give full particulars of these men to prospective employers.

The other question raised, I think, by two Provinces was a doubt whether it will be safe to let loose on the road wild men who because of their rapid training under pressure of war were not very reliable. Labour Deptt. made it clear that they intend to see that these ex-servicemen are trade-tested before their names are given to transport operators as prospective employees. Sub-para. (3) of conclusion 3 perhaps calls for no comments at this stage ; the suggestion is that the hours of work, provision for which is already contained in section 65 of the Motor Vehicles Act, should stand unchanged at present, and secondly, proposals for legislation in respect of conditions of service of road transport workers generally are going to be circulated to Provincial Governments for their opinions as soon as possible.

Mr. Santhanam : We are discussing only this question of the Ordinance, is it not ?

Mr. Conran-Smith : The whole conclusion is open to discussion ; but I thought that probably the Policy Committee would be interested in the method

by which the policy of providing for ex-servicemen would be implemented. The rest of the conclusion is open to discussion also.

Mr. Santhanam : I do not see why the Govt. of India should promulgate an Ordinance on this question : that Ordinance will be very badly received and will make the action of the Govt. of India unpopular. Many of these companies will themselves be anxious to take ex-servicemen in and the labour exchanges are intended to help these people towards these positions ; and therefore I do not see why there should be an Ordinance. I dislike the very word : it has got a very bad odour in this country ; and if during election time you promulgate an Ordinance, especially overriding the powers of the Provincial Government, I think it is wrong politically and psychologically as an approach to the problem. Have the Govt. of India tried out any other methods ? In the budget session they can bring in legislation if they want and do the needful but I am strongly against the idea of an Ordinance even though it only empowers the Provincial Governments.

Mr. Conran-Smith : The real difficulty is the time factor. This provision can be incorporated in the Bill to amend the Motor Vehicles Act, but that has got to go to the Session when the Central Assembly meets after the elections, and then it would probably have to go to a Select Committee, and thereafter to the Council of State. In the meantime the problem of demobilized ex-servicemen is immediate, or is likely to be immediate, and acute, and it was the generally expressed wish of Provincial representatives that an Ordinance should be passed giving them this power. I explained however that it is an enabling provision only which adds to the rule-making power of the Provincial Government already provided by the Act. One or two Provinces did express the view that they could deal with transport operators without any legislative provision but a good many others—the majority—expressed the view that they might find their operators, especially the more legalistically minded, inclined to resist and not to comply with a direction which had no statutory force behind it. Therefore in view of the time factor the Provincial representatives made this recommendation that a brief Ordinance be passed. I know the term 'Ordinance' is not liked, but it is a convenient way of giving legislative powers to the Provincial Governments to enable them to make necessary rules.

Mr. Santhanam : I do not think that it can come in as an amendment to the Motor Vehicles Act because the purpose and scope of this legislation is different from the Motor Vehicles Act. The Motor Vehicles Act is purely Central legislation. Here you are going to force commercial undertakings to reserve a certain number of vacancies for specific classes, which does not come under Central legislation at all. It must come under Provincial legislation in normal circumstances. Under the existing provision of the Defence of India Rules it may be possible legally to pass this Ordinance, but as soon as Section 93 ends, the Ordinance will also come to an end. My honourable friend has pointed out that the real difficulty is the time factor. What is the time factor ? The Central Assembly is to meet in the beginning of February—that is the present idea and the elections will be over in December. Of course if the Govt. case is likely to be approved by the Assembly the law will be enacted not long after the Assembly meets. But if it is not likely to be approved, then your Ordinance will go to pieces and all the arrangements which you are making will be annulled.

Mr. Conran-Smith : I did not suggest that it was not likely to be approved, since it is merely adding to existing rule-making powers in the Provinces already given by the Motor Vehicles Act. The question was not whether the Assembly would approve it, but whether the legislative process would not take too long.

Mr. Santhanam : I understand that. I am only saying that the Central Legislature may not like to give this rule-making power to the Provinces to interfere with the road operators. Why don't the Govt. rely on the normal procedure for doing this ? What are their labour exchanges doing ? Then, the road operators are already in great difficulty ; you are making new companies. You have simply to put up a suggestion to them that they should take 12 per cent. or 25 per cent. of your people, and they will confirm it.

Chairman : But supposing they don't.

Mr. Santhanam : There will always be exceptional cases, but in the majority of cases they are bound to agree. And what you can do by persuasion you can never do by compulsion.

Mr. Conran-Smith : It was not the Provincial view that in most cases you could do it by persuasion. Two Provinces thought they could ; other Provinces thought they could not. And we are accepting the Provincial viewpoint.

Mr. Santhanam : The reason is that in the present circumstances they do not want to persuade anybody to do anything. They believe in compulsion and I object to giving them powers for compulsion. You are going to give new licences and everybody will be an applicant for a licence, and I think through labour exchanges and other ordinary persuasion the thing can be done, unless you want to force very incompetent or very useless people on to the road transport companies.

Mr. Conran-Smith : No, that is not our intention.

Mr. Santhanam : If you have reasonably efficient people, I am sure they will be welcome. I am anxious that ex-servicemen should be employed and all provisions should be made for them, I agree. There is no difference on that point, whatever other differences we may have. But I only say that you should not do this by compulsion. Even if you do it, how can you maintain them in their jobs ?

Mr. Conran-Smith : The employers will have a free choice. If they do not like one man, they can have another. They can go to the labour exchange and get a comprehensive list. They need not only employ local men.

Mr. Santhanam : I doubt very much whether any Provl. Govt. or Assembly will accept this scheme of compulsion.

Chairman : There is no need to ; it is only enabling.

Mr. Santhanam : Enabling the Provl. Governments but the Provl. Govts. will have to compel.....

Chairman : If they want to.

Mr. Santhanam : Because the cases are urgent and the whole suggestion is based on the idea that they want to. If it is a question of merely enabling the provinces to make rules for the future then the Central Assembly can pass a separate Bill next February.

Mr. Conran-Smith : Would you prefer the Madras proposal which is to issue orders that for a period of, say, two years, no licence to drive public transport vehicles should be issued to any except ex-servicemen ?

Mr. Santhanam : If they are legally competent to do that I don't mind.

Mr. Conran-Smith : I do not know if they are legally competent.

Mr. Santhanam : If you can do it under the present Act, do it. But don't pass an Ordinance from the Centre which will be resented by public opinion, and I am sure it will be misrepresented. You cannot go to public meetings and explain that this is an enabling provision.

Dr. Sanyal : I entirely agree with Mr. Santhanam in his apprehension and I also want to have it recorded that there should be no attempt to force the road operators to have a particular class of men employed. If this is insisted upon it would only make it easy for other political parties to demand similar preference, that is to say, when they have to pass legislation they will make it one of the conditions that persons to be employed by particular agencies must belong to a particular political party. Already we have had enough of such attempts. In the Province of Bengal, many valuable schemes are not proceeded with because a certain political party in power thought that it would not open up possibilities of employment of their party-men. Let Provincial Governments think out the best way of achieving your object. I cannot understand how the road operators could be compelled to employ certain classes of men and at the same time provide cheap and efficient transport. If cheapness and efficient transport are the criteria, there should be as far as possible freedom left to the operator to select his own men. There could be some general direction, some persuasion, not because certain persons are ex-service-men merely but because some classes of ex-servicemen are more useful and dependable, probably physically and otherwise better trained and fit to undertake a certain class of work. That should be the attitude and nothing more.

Chairman : The non-official view seems to be in conflict with the views expressed by the Provincial representatives at the Council meeting.

Mr. Chinoy : I entirely agree with Mr. Santhanam that bringing out this Ordinance at this time will not be very happy. I may tell you that last year I was approached by some military people in this very connection, and I gave them an assurance that I would employ at least 20 per cent. of ex-servicemen in the services that are controlled by my company. I also assured them that I would employ nearly 20 per cent. in my workshops also. I would prefer persuasion to bringing out this Ordinance.

Mr. Conran-Smith : Do you mean purely persuasion and no sanction behind it ?

Mr. Chinoy : I think most of the Provinces will be able to make that arrangement. I do not know definitely but I think that under section 21 the Provincial Governments have got powers to make rules.

Sir K. Mitchell : Rule-making power under section 21 is restricted to the grant of licences to drive.

Mr. Chinoy : But then with the grant of licences there are all kinds of rules under it. When you grant a licence you have got to undergo so many tests. If these ex-servicemen are going to drive the buses as they drive military lorries, I am afraid no respectable garage or service will take them up. Surely they will have to undergo special training for driving in the city. I do not know whether you have any statistics of accidents that have occurred in Bengal and other places, but if you look at them you will simply be amazed.

Mr. Bannerman : I appreciate the fears of the previous speakers on the non-official side. But nevertheless I think we should have something more concrete. We cannot just leave it to persuasion. Perhaps that will have effect, but at the same time it might not. I feel in agreement with the suggestion given in this Report here, namely that we should endeavour to reserve a certain number of posts and we should insist on a certain number being employed. I think that will be the only effective way of ensuring that a large number of these ex-servicemen will get employment within a reasonable period.

Dr. Sanyal : Would he accept the same position in making appointments of his staff and crews who are in very large numbers ? Why not reserve, say, 50 per cent. out of those posts for ex-servicemen ?

Mr. Bannerman : For any new posts being created I am sure we will be only too glad to give choice to ex-servicemen.

Mr. Bhole : I appreciate the views expressed by Mr. Santhanam and Dr. Sanyal, but I fail to agree with their view that persuasion will be very effective in the matter of employing ex-servicemen. However much I dislike the promulgation of Ordinances and the rule of Ordinances, I, for one, would like in this particular instance to have recourse to an Ordinance of the type expressed in the note for the purpose of reserving a certain proportion of all future vacancies for ex-servicemen.

Mr. Berry : I should like to associate myself generally with Mr. Bannerman's remarks, but I must admit I am not competent to advise you in regard to the best method or machinery to achieve the object. So far as the steam-r companies are concerned, on the very pertinent point raised by Dr. Sanyal, that is what our answer would be in the matter of employing ex-servicemen ; we certainly would not go so far as to reduce any of our present staff who stood by us so well on war work, and there is no question of getting rid of any of them to let in ex-servicemen, but in so far as new vacancies are concerned, we would definitely give ex-servicemen preference.....

Dr. Sanyal : Under the Ordinance made by Govt.?

Mr. Berry : With or without an Ordinance.

I have always felt that the army was above politics ; I thought that to be fundamental everywhere, including India. The fact that politics have been in evidence outside is very natural, but so far as the army and ex-servicemen are concerned, I do submit that is incidental rather than fundamental, and I for one do not fear anything we do here in the way of devising enforcing machinery as opposed to persuasion. But I am not competent to make any recommendations whether we should have an Ordinance, or not. The fact remains that the Centre will issue directions or issue an Ordinance which will give powers to the Provinces, which they may take up or not. The Provinces need not take it up if they don't want to, and where there are no Ministries in evidence I think that the Governors and their Advisers would be foolish to bring that in unless they thought it was absolutely necessary, and where it is necessary I think it should be done.

Mr. Conran-Smith : May I clear one point : We are not wedded to the idea of an Ordinance. The question really before us was what is the best method of securing that the large flow of ex-servicemen is given suitable employment, and as the question was an urgent one, therefore the suggestion was that the quickest and most expeditious way of dealing with it was by Ordinance. But I would like to ask those who have attacked the idea of an Ordinance whether they have considered what the effect will be on economic conditions if there is a large flow of ex-servicemen unemployed because transport operators do not yield to persuasion. That is an aspect of the problem which possibly, I suggest, they may have overlooked. Nobody wants to have an Ordinance, if it can be helped.

Mr. Santhanam : What do you propose to do if there is unemployment ? You will find other alternative methods of relief.

Chairman : This applies to a rather special class of men. A very large number of people have been trained in motor transport.

Dr. Sanyal : The point is how to employ men who are likely to be unemployed. The only way to do it is to create new employment, and so far as we are concerned we are as much keen on preventing unemployment, not merely of ex-servicemen but also generally of large numbers of civilians in various fields who had during the war got a certain class of employment provided for

then The economic structure of the whole country would collapse if suitable employment is not found for them. So it is not a question of special favour to a particular group of persons. About this group of persons, they will surely stand a better chance than others. If we create new employment the Provincial Governments will try to get the best out of them, and the local operators of motor vehicles will surely prefer employing such men. But what about others who have no previous training at all? I would not care to exercise any other method than leave it entirely to normal economic forces with as little persuasion as is possible. Even 'with persuasion' is a dangerous term. I would not press that too far either, because I know that crores of rupees have been collected from road operators for this, that and the other contribution, which has been a purely 'voluntary' contribution. All this has been done and could be done without persuasion. So leave it at that.

Mr. Musterman : This Ordinance, as I understand, is going to enable the Provinces to put it into force or not, and we hope to do a great deal by persuasion. It is not a fact that we have not tried persuasion. We have written to all the companies and asked how far they are prepared to take on these ex-servicemen, and possibly we shall be able to do all that we want by persuasion. But we do want an Ordinance behind us. We do not know whether it will be necessary but we do want something which we can put into force urgently, at once. After all, these men are coming back this month or next month and the problem in Madras is a very important one. We have more Madras recruit drivers in the Army than any other Province. It is a problem how they can best be settled. We hope to do it by persuasion, but we have not gone very far. Most of the companies are not prepared to say whether they will take any definite number. If they refuse to employ these people, we will have the necessary sanction with us.

Nawab Zam Yar Jung : I agree to the proposal contained in this note. I think it will be better to have some Ordinance.

Chairman : Would this meet the case?

"The Committee was divided on the question of para. B. 3(2) of the Conclusions of the Transport Advisory Council meeting. Some non-officials considered that Government should use other means than compulsion in the manner proposed to ensure that road operators throughout would reserve a specified proportion of all future vacancies in their undertakings for ex-service personnel at rates of pay not less than those prevalent in the locality for workers of different categories."

Before going on to the employment of ex-servicemen on construction of roads, I would like to read out a redraft of the conclusion on the Road Fund and National Highways :—

"The Committee accept in general the scheme of National Highways with the proviso that the standard of construction and the priority accorded to their development should not be such as to prejudice balanced development of district and village roads. The majority of non-official members desire to accord their support to the attitude taken by the majority of Provincial representatives on the Transport Advisory Council in respect of the Road Fund : and the majority of Provincial and non-official members of the Committee desire to record their opinion that the Road Fund should not be discontinued but be continued in its present form and its permissible uses extended to cover maintenance, *pro tanto* deductions being made from any subventions from Central resources proposed for post-war reconstruction in the Provincial field."

Dr. Sanyal : I would suggest the words "if necessary".

Mr. Gadgil : I want to make it quite clear that I would agree to the continuance of the Road Fund only if the other financial considerations are not brought in. You have brought other financial considerations into the picture. If it is proposed that on grounds of financial propriety the Road Fund should not continue, that is a fundamental question. I always thought that the reference to the Committee was not the whole financial picture but merely the continuance of the Road Fund.

Chairman : Mr. Gadgil's view would be covered by the words "the majority of non-official members...." As regards the words "if necessary", I do not think the words are necessary, but I would have no objection to putting them in.

Mr. Gadgil : With regard to development of National Highways, is there any reference to the assurance that Sir Kenneth gave that the National Highways will not be necessarily constructed according to a uniform standard throughout but only according to such standards as bits of roads really demand, taking into consideration climate, volume of traffic, etc ?

The Chairman : "The Committee accept in general the scheme of National Highways with the proviso that the standard of construction and the priority accorded to their development should not be such as to prejudice balanced development of district and village roads."

Mr. Gadgil : That does not refer to the traffic to be carried on the National Highway itself.

Sir K. Mitchell : That is self-evident.

The Chairman : I mentioned it in my speech, and I do not think we should record it here.

C. 2. Employment of Ex-Service Men on Road Construction.

Sir K. Mitchell : Various schemes were considered by a committee of Chief Engineers sitting before the Transport Advisory Council. The problem before them was to employ ex-servicemen, if possible in some way directly, at a reasonable cost so as to secure for them reasonable conditions of employment. But the Chief Engineers considered that, while the Madras co-operative labour contract units might be experimented with and developed, reliance must be had in future, as in the past, mainly on the employment of contractors, but that special conditions should be made in the terms of the contract—which have still got to be worked out in detail—regarding pay and other matters relating to employment under contractors.

The point is this. All road works construction of any magnitude in the past has been carried out practically exclusively by contractors. Contractors tender for earth-works, masonry, metalling, etc. and they provide the organisation and the supervision. To employ men direct under Government departmentally is extremely expensive and requires a great deal of supervision and personnel which is not available, and the Chief Engineers thought this method to be more expensive than working by contract and that it should not be accepted as the main means of employing ex-servicemen on this work. You must remember that the construction of works to provide employment to counter slump tendencies will be on a very large scale—on a much greater scale of expenditure than the P.W.D. were accustomed to in the past ; and as a result of the experience which has been gained of Civil Pioneer Units and other labour forces during the war it is suggested that although they are necessary during war, they are in fact much more expensive than working through contractors. Various figures have been stated—twice or three

times as expensive. The fact is, you have got to avoid sweating your labour, and you have got to get a reasonable return for the money you pay. The elastic arrangements which a contractor has—I do not say they are not abused sometimes—these elastic arrangements enable him to adjust his piecework rates from day to day, and by other means to get reasonable work out of the labourer and for the labourer to get a reasonable return, if he works hard.

Now, on any group scheme of that sort, it was suggested that the departmental employment of labour should be combined on some basis with a bonus, and that departmental labour could be organised in groups and on the basis of taking contracts on the same rates as contractors, or approximately those rates, and that the earnings of those groups could be enhanced by the 10 or 15 per cent.—whatever it may be—which is supposed to be the normal turnover profit of the contractor; and that thus the men employed would be efficient. I am sorry that it so happens that, owing to another meeting clashing with this, the representatives of the Labour Department who had been sitting here this morning have had to go: they could have explained that aspect better than I can.

One of the main difficulties in connection with the employment of large groups under quasi-departmental control is that it requires a very expensive organisation. If you get a thousand men on piecework rates and engage them in small groups of 20 or 30, they see a direct interest coming to them in their earnings according to the work they do. But if you have a group system in which the bonus earned by one man depends on the work put in by another 50 or 100 men, the return is so remote that we do not think that piecework will really induce the men to work, and we shall have to have a fall-back minimum wage, and in the result you will get a very low turnout of work even in relation to the fall-back minimum wage, and the experiment would be so expensive that you would have to give it up and entrust it to contractors. Therefore the Chief Engineers' Committee recommended that in the first instance reliance must be had on work through contractors, using the expert organisation of contractors, their staffs and so forth, but making reasonable provision—which has still got to be made—that the labour employed, including ex-servicemen, will get a reasonable wage, reasonable hutting, water-supply, sanitation, and so forth. At the same time they recommended that each Province should try and set up one of these co-operative labour contract units of a thousand men each as soon as possible so as to get experience of this system, and if experience justifies it, so as to extend that organisation. That, I think, represents the position we have reached now.

Mr. Santhanam: Regarding the co-operative labour contract unit, of course, wherever possible I should like that to be adopted. I think, however, with Sir Kenneth that it may not be available on a sufficiently large scale, and it is difficult for the men to unite and form a co-operative; it is a slow process, and sufficient numbers of people may not be employed on that basis. But to the extent it is possible I do support the conclusions as adopted.

But regarding the other question, namely, contractors being employed on road construction, there are two considerations. The first is whether ex-servicemen will get proper jobs under proper conditions and treatment under the contract scheme. Secondly, whether the contract scheme will result in an efficient system of roads for the country. So far as I am aware, the entire contract scheme hitherto has been turning on three fundamental principles. The first is the sweating of labour. In fact, as soon as you put in conditions, all contract rates will go sky-high. The contractors will say that under your conditions the normal contract rates will be inapplicable. The contract rates will go higher and higher, because hitherto contractors are not accustomed to

conforming to any standard of pay or hours of labour or other conditions, and you do not want the ex-servicemen from the army to go into the hands of exploiting contractors who will directly and indirectly fleece them in all manner of ways. That is one thing. Secondly, contractors generally do shoddy work and get the approval of the P.W.D. by greasing. That is too well known to require much stressing. Of course if it is a temporary job it does not matter very much. For instance, in the army you want to get something done for three or four years. But here we want roads which will last permanently with the minimum of maintenance, and for this the question of responsibility is more important than even the question of cost or even the question of doing the work quickly. I think our engineers should not shirk responsibility. They should take direct responsibility for both construction and maintenance of roads. The engineering colleges are turning out a large number of engineers and I do not think there will be any difficulty in getting the additional personnel necessary for supervision. Even among the ex-servicemen there will be a lot of people who are capable of being employed as supervisory personnel. In fact, many contractors want to do all kinds of work, even such important works as bridge-building, with mistries and masons; they do not want to employ engineers; they do not want to employ overseers; they want to get things done by ordinary masons and mistries. Then, if they get into difficulties with engineers, they somehow patch up things and for the moment get their bill sanctioned and go off. After ten or fifteen years, nobody is responsible for anything that happens to the work. Here the present engineers and their successors should be held directly responsible for providing a proper system of National Highways and Provincial highways, because this is a matter of permanent importance. I think the Provincial Governments and the Provincial engineering staff should not shirk work or responsibility. I do not think that if they set their hearts to it they could not find the necessary personnel. Governments have run whole armies, and they have fought for six years of the war without any contractors. When they have done that, why should not they be able to construct roads? I do not think there is any difficulty in finding personnel. You have to give employment to whole units; instead of demobilising them, simply employ them on road projects. Units can be used directly for road construction, instead of disbanding those units and allowing contractors to get individuals and fix terms and conditions for them. I do not think there is any machinery for enabling ex-servicemen to be absorbed in such work, and still less is there any machinery for enforcing labour conditions. Where is the machinery for enforcing conditions of labour in remote areas? Road-making is not in towns. You are going into remote areas. How will you see that deductions are not made from the pay of the workmen for all kinds of funny reasons? They will say they will obey your rule to pay one rupee a day, and you can never say that the man does not get only eight annas.

Therefore, I suggest that Government should investigate more seriously the possibility of employing ex-servicemen directly. This is not such a large question, after all—employing 10,000 or 15,000 men. Departments must be created and the work should be done under the direction of the Central Government, and the Provincial Government should not shirk this responsibility. How are they going to have any planning and reconstruction on a large scale if they cannot undertake this road construction? After all, the men are there. Your ex-servicemen are available. The engineers are there. You have the engineering staff who have been trained in road-making in all places during the war. Just put them all together, create your departments and have the work done through them. I do not know if it is going to be more costly, but I think even if it is more costly, in the long run we shall get more efficient roads than if you employ contractors.

Sir K. Mitchell : Sir, I am sorry to say that I resent very strongly my friend Mr. Sathanam's allegation that the usual method of construction by the P.W.D. is simply handing over the work to contractors and then accepting illegal gratifications when the work is bad. I resent that very strongly indeed. I should say it is a gross libel on the engineers of the country.

But assuming his proposition is true, all I can say is that with the contractor you have a tendered rate ; but if you have direct departmental operations under the control of the P.W.D. involving large amounts to be paid in wages and so on and a mass of people to manage, when you say you cannot trust them I am horrified to think what the result would be. Everybody would be embezzling the wages, no work would be done, and the net result would be that you would have to incur an expenditure of lakhs but would have nothing to show for it. I must emphasise that in the past practically all work of this nature in India has been done by contract, and, by and large, as an engineer I think that the public have had reasonable value for their money. Some contractors do sweat their labour : that is not confined only to P.W.D. contractors. But by and large, with adequate supervision, you could get work out of the contractors ; with adequate supervision you would be able to see that the work is properly done. If the work is improperly done, you can have it removed and have it done all over again properly. But in this departmental organisation, if your supervision is lax and if it is lacking in quality and also in quantity—and it is very definitely lacking in quantity at the present moment—you will get work badly done, and there is an end of it. On the other hand, the contractor has to take the risk of having to do it again. In three or four or five years' time it might be possible so to expand the organisation of the P.W.D. as to work through departmental labour direct on a piecework system which would give a reasonable return for every rupee spent. After all, it is human nature to sit under a tree when it is a hot day, and when you get paid whether you sit or work ; your minimum wage is assured. That is the difficulty. War-time organisation is many times more expensive ; there is no organisation to see that each individual man's daily earnings are related to the quota of work done.

Dr. Sanyal : I am afraid I cannot agree to this proposal for special contracts being given. I cannot agree for two reasons. First, it would not ensure efficiency. Secondly, it would mean an enormous additional cost to the community. As Sir Kenneth has already admitted, it has been found that in some of these special war-time works, in the case of labour arranged through the Civil Pioneers Force and other organisations, the cost has been 200 to 300 times more than now. In such circumstances, if you want to see the National Highways Scheme through with the resources we have, we should try and make the best use of our money and not load our projects with proposals for employment which would necessarily mean an additional burden to the community. If it is the idea of the Government of India that they have an obligation towards these ex-servicemen, they should find some money from the War Department to subsidise such men for some years to come. Give them a pension and leave them to find jobs. Create jobs and let them find the jobs most suited to them along with others who would be competing with them. The pension scheme is the only method by which you can subsidise a certain category of people for a particular time. More than that would be uneconomic and would only lay an undue load on the community as a whole. It would be more or less a secret method of reimbursing the War Department, which I strongly protest against.

I have, however, sympathy for the co-operative labour contract societies. If that is possible within reasonable limits of financial commitments, it should be done. And as has been suggested by Sir Kenneth Mitchell, there could be

some amount of compromise between the two views—as between his views and the views expressed by Mr. Santhanam. We have known cases where the Government, instead of giving whole contracts for the whole job, split up the work and give out material supply contracts separately, labour contracts separately, execution contracts separately, and so on, and they have rates fixed and supervision is arranged for the work. Under this scheme, it would be possible to combine the good features of usual contractual work and the features of a certain specified category of employment which Government want to ensure. We would, however, like to know what additional cost would be kept as a target up to which Government might be prepared to employ these new methods of execution of works. If it is 10 per cent. or 5 per cent., probably there would not be very serious objection, but if it is more than that, I am afraid it would not work; it is not in the interests of the community that it should work. I would therefore suggest that paragraph C. 2. (2) (a) which refers to the working out of a special contract scheme in full detail, should be entirely dropped, and there should be no direction from the Centre to the Provinces in that connection.

On the other hand, the Madras experiment of a labour contract society may be proceeded with. But here also I feel that the stipulation that such co-operative societies should not be composed of less than one thousand members is a little too inelastic. It may not be possible to get a thousand ex-servicemen living together or within a reasonable distance of each other's homes to combine into one unit so that suitable employment might be found for them. It may not be possible in all parts of India, but wherever a larger number is possible I have no objection; but let not this number of one thousand be a bar to organising suitable co-operative labour units. So also, the provision about continuous employment for not less than six months may be another snag in getting suitable employment for these men. There may be projects where the earthwork would involve three months' work and the road-making might require one or two months. There is no reason to doubt that suitably organised co-operative societies could provide labour for three months at one point and then take it to some other place after three months, so that the overall employment is for six months continuously. The period of six months should not apply to one particular work only. Then there are other factors: monsoon conditions and the like might prevent continuous employment of the character visualised here. So, we would like to keep that as elastic as possible. The idea is welcome, and probably that is one of the methods by which larger employment could be ensured. But more than that would be difficult to visualise at this stage. I would also like to know what category of ex-servicemen are contemplated when these co-operative labour societies are thought of. Evidently these are unskilled labour that had been employed on various kinds of odd jobs—construction of aerodromes and the like. There are also a large number of technical men who would be ex-servicemen, and a large number of others who had put their money and their energies into war work. What will happen to them? I would suggest that apart from labour there need not be any large headache over the question of employment, and with regard to the others, they may be asked to tender in the usual way, and when tenders are invited there should be the stipulation that in the case of both ex-servicemen and others the rates offered are the same; but when it comes to giving preference, the one with service record will be given preference, but that where there are other considerations to be taken into account, Government will have to examine each case on merits. It is not always that Government accepts the lowest tender. But when a higher tender is accepted, there are very many considerations to be taken into account. One of the considerations may be service record.

Mr. Gadgil : Road programmes have been advocated as one of the methods by which the employment problem of ex-servicemen is going to be solved. I should therefore have liked a somewhat detailed statistical picture of the amount of employment and the period over which such employment could be given to ex-servicemen under this scheme under the conditions laid down here. As Dr. Sanyal has remarked, the large majority of ex-servicemen employed on the road programme as such will really be ex-contractors of labour more than anything else. Looking to conditions in my part of the country, I believe it can be more or less confidently said that the Maratha soldier who has returned will never look at road-making at all. So that, actually, so far as the employment of the ex-fighting man is concerned, the road-programme will hardly do anything for him. It will be some kind of contract labour, or possibly some type of army lower personnel, that might be partially absorbed in that, though, if you look at these conditions carefully, you would see that the assumption that any considerable number will be absorbed in road-making does not take you far. I do not suppose it is intended that this sort of special contract and provisions for enforcement on contractors will go on for years to come. I suppose all that will happen is that in the initial contract there will be a stipulation for a three or six month period. But apart from that, after the first three or six months period you really revert to normal conditions i.e. the contractor will pick and choose his men in the normal way just as he likes ; and the consideration of ex-service will automatically recede to the background. Exactly on the grounds on which Sir Kenneth recommends the economy of contract work, exactly on those grounds does it become impossible to scrutinise the employment of ex-servicemen on contract work ; and what is much more important, to see that any kinds of fair service conditions are guaranteed to them. The experience of factory legislation all over the world is that factory laws are the worst observed in the smaller factories, where the inspection is the most lax. Those at least are fixed in location. Where in location the employment of labour is fluid and moving, I am afraid it would be almost impossible, unless you have a horde of inspectors, as for example, in some European countries there are special farm work labour conditions which are inspected by a special horde of factory inspectors : unless you can do that, you really cannot guarantee this ; and if you cannot guarantee this, I do not think there is much point in saying that your road programme is going to employ a lot of men. Unless certain minimum conditions are guaranteed, nothing is really going substantially to happen. In this connection I want to emphasise a point which is relevant. We want to see what the other labour policies of road and rail development are. I suggest that any policies that lead to any considerable rationalisation of labour at this juncture create further unemployment ; and I suggest therefore that the whole scheme that you put through yesterday of rail-road monopoly companies is a direct addition to further unemployment. Any large scale rationalisation of labour employment means less labour employed, and any considerable step taken forward in the transitional period is, I suggest, deliberately aggravating the problem which you fear already is going to be large. I want to draw attention to other aspects. Take the labour aspect itself of the general railway policy. This might be purely a local instance but I do not know whether it is not symptomatic of general railway policy all over India. I want to draw attention to what happened only last month in Poona station, where in Poona and in a number of other stations on the G.I.P. a very large number of station staff employed for years together directly under the railway were transferred to contract work. Now, that is a most amazing thing to do, because it was recommended in the Labour Commission Report itself that where this station staff is directly employed by railways, it should be so employed, and it further goes on to point out that any other staff that is usually employed

by railways on a contract basis should as early as possible be brought on to a departmental pay basis ; and the experience of those who have served on labour committees is the same. As a member of the Bombay Textile Labour Committee, we strongly recommended to the Ahmedabad millowners that part of the contract organisations which they employed for a part of their dyeing and printing departments ought to be rapidly abolished, because even in the conditions of those mills the factory inspectors going there found it impossible to check up on the pay or the hours of work actually obtained by contract labour. I do not think that, unless Government takes up a much more detailed programme of specific employment, these general programmes really amount to anything. If you really want to provide for ex-servicemen, what is required is a detailed survey of ex-servicemen coming to particular localities, and specific employment guaranteed either under good industrial employers or agricultural settlement or guaranteed directly by Government departments. But if Government cannot do that, it can at least do this : it can at least behave so as not to aggravate the present unemployment conditions. It can see that it does not push too much rationalisation in employment at this stage of transition, and that it does not itself move regressively, as in this particular Poona incident it, has very badly moved regressively by transferring actual departmental employees to contract work.

As to my views on the points in the agenda, this special contract scheme may be worked out in detail ; but I do not think it will be of much use either in providing employment in any considerable degree to ex-servicemen or in really guaranteeing minimum conditions of service, which after all are necessary if you are to say that you have provided something for them. As regards co-operative unions, one can always give one's blessing to that sort of thing. It is always a thing worth trying, though one knows probably in advance that nothing much comes of it.

Chairman : You agree generally, bearing in mind the points you have raised.

Mr. Berry : I accept generally the points which had been put forward by the T.A.C. as appearing in this note ; but I also endorse Dr. Sanyal's recommendation in regard to a certain amount of flexibility. There are many different types of labour involved, and I think Mr. Santhanam's scheme could well be applied to some of these very varied classes. There are some classes which will voluntarily accept in civil life the discipline which has been instilled into them in the army ; I would suggest that we apply a pilot scheme of that nature for those classes of ex-soldiers who are suited to that system.

There is an other point : it does not strictly come under this item, but it has been touched on by others ; it is the wider aspect of unemployment as a whole. I have no grouse at all against government for postponing consideration of I.W.T. questions because I fully realise and appreciate why they have not been able to go into these matters in detail ; but there are some items in connection with waterways improvement and waterways development which I think should be taken up now. Could the Provincial irrigation departments have some assistance and guidance from the government in regard to expenditure, now that we have a Central Waterways, Irrigation and Navigation Commission ? My friend Rai Bahadur Khosla might wish to speak on this ; it is a very good avenue for employment.

There is one more point which I think is a matter of vital importance to this committee in connection with the planning of waterways, and that is the scheme for sending students abroad for technical training. I was told unofficially last night that, although provision was made in the scheduled list of subjects for training in river research, so far only one student has gone abroad

from the whole of India and I understand he went more or less under his own auspices and by his own arrangement to do river research work : this research is as technical as anything that I can think of. It requires years of training; and we are far more short in India today of technically trained river men than we are in any other technical department or in any other branch of engineering that you can think of. I would like to draw Govt's attention so that the proper department may refer to Provincial irrigation departments so that arrangements may quickly be made to send students abroad to be trained in river research.

Chairman : We are getting rather off the agenda : we shall hear R. B. Khosla in a minute ; but first I would like to come to a conclusion on this item of the agenda if we can. I find it rather difficult to set down the conclusions. I think that the non-officials generally support the proposals but lay stress on the need for flexibility. Different speakers have all stressed different aspects.

Dr. Sanyal : I think the general opinion is against the system of contract.

Chairman : I would put it this way, that the general opinion favours a co-operative scheme, but it seems difficult to escape from the necessity of contractors.

Sir K. Mitchell : I might say in passing that from a sort of cross section Gallop poll which the Resettlement Directorate made, the indications are that there will be 6,00,000 men coming out of the army who do not want to go back on to the land and who have no particular employment but wish to get employed in industrial labour and public works labour if the former is not open to them. The plan of the special contract was to call for tenders on the basis of employment with a percentage of ex-servicemen under reasonable daily earnings—not necessarily wages, but earnings on piece work and on daily wages, and the contractor would tender taking into account the rates of wage he would have to pay.

Mr. Santhanam : Will there be both ex-servicemen and others working side by side and will wages be different for the same work ?

Sir K. Mitchell : The wages would not be different.

Mr. Santhanam : Therefore the conditions will be laid down for all labour employed by that contractor. Do you propose to send ex-servicemen in batches or singly ?

Sir K. Mitchell : As I say, the terms have got to be worked out. The general idea is to get contractors to obtain a certain proportion of their labour from ex-servicemen, passed on to them by labour exchanges.

Mr. Santhanam : If ex-servicemen are to be given any special increased wages, would it not upset the entire wage structure of the whole area in the neighbourhood ? and as road making is to be across the whole country, probably the economic structure of the whole country will be upset unless you can enforce the same labour conditions as in other departments. If you are going to subsidise ex-servicemen, give them the wages that others get and something extra as ex-servicemen ; that may be a legitimate thing and I do support the idea that ex-servicemen should get reasonable conditions ; but if you are going to disturb the labour conditions throughout the whole country, have you reflected on the possible economic consequences ? I am quite agreeable to raise the wages of the entire labour population in the whole of the country if you can do it ; but do not take any step which might upset the entire system.

Mr. Gadgil : May I say that Sir Kenneth Mitchell's explanation has merely increased our doubts ? I can understand the possibility of enforcing a

day to day wage, but to have a piece rate system, so fool proof or knave-proof that it will yield a particular wage at the end of the day, is one of the most difficult things.

Dr. Sanyal : I have not been able to understand what additional percentage the Government would be prepared to accept as loading the expenses of a particular construction, when they impose a condition of this character for employment of ex-service men. I know in Bengal earth-work during the war period cost as much as Rs. 40—work which cost only Rs. 5-7-0 before. In the Damodar project the tenders showed a variation from Rs. 20 to 35 or Rs. 36. Government at first accepted 25. Subsequently the tenderers came in a body and said that it was not a workable proposition. I should like a definite directive to the Provinces as to what additional expenditure may be loaded in order to find additional employment for men. We would like to know what is the estimate on which you would like Provincial Governments to accept tenders from persons who agree to employ labour under the conditions Government propose to impose.

Sir K. Mitchell : As regards the limit which Dr. Sanyal wishes to put and as regards the co-operative system, the proposal of the Chief Engineers in the T. A. C. was for an experiment of one thousand men in each Province for six months, to see how much more costly it is than ordinary contract, and that that relatively small liability should be shared 50-50 between the Provinces and the Centre. It was a purely tentative proposal to see what the additional cost was. As regards the special contract scheme it remains to be seen how much more expensive it is. After the experiment is over, it will then be for Government to decide whether it is justified or not. At present we are only trying to find out by experiment, in the case of co-operative societies, how much more it is going to cost.

Dr. Sanyal : You were anxious to find avenues for employment. From your present explanation it appears that there is no possibility of immediate employment.

Sir K. Mitchell : As regards the co-operative system, it may not take six months. As regards the special contract scheme, as soon as tenders are received, we shall know the position.

Mr. Masterman : I think it would ease Mr. Santhanam's mind if I say that we are not going to use the special contract scheme for ex-service men in Madras. We are going to rely on the co-operative labour contract scheme and in Madras it is certainly much more than an experiment. We are already creating these bodies and giving them work. The Government of Madras are perfectly prepared to pay for the extra cost.

These co-operative societies are going to employ not only unskilled labour but a certain amount of skilled labour. We do not think we shall employ all these men on road work in the co-operative society. They are going to be employed on construction work. We shall not employ men on work to which they are not used. We shall get men from the Sappers and Miners and so on for construction work. We have got further than an experiment in Madras.

Chairman : If you look at the conclusion of the T.A.C., it is extremely general and flexible and allows different Provinces to go ahead with their different schemes.

Mr. Santhanam : Why is departmental work ruled out ?

Chairman : It has been ruled out as a result of the discussions in the T. A. C., on account of the enormous expense. That was the definite conclusion of the T.A.C.

Sir K. Mitchell : It was ruled out on the ground of immediate shortage of personnel. It requires much more personnel to work departmentally than through a contractor who provides supervision. We have not got the men at the present moment. Two years hence we may have.

Mr. Santhanam : Unless you make a beginning now, you cannot get anything done later. Supposing there was a 100 mile stretch, why cannot you do 25 miles departmentally, give 25 miles to co-operative societies and 50 miles to special contract and so on ? Why do you rule out departmental work altogether ?

Col. Lang Anderson : In the N.W.F.P. it is not proposed to rule out departmental labour entirely. In normal times we use a certain amount. For instance we do our metalling departmentally, though we get our stones from contractors.

Mr. Santhanam : I do not object to that. By departmental work, I only meant the final finish and things of that kind, seeing that things conform to specifications and so on. What I suggest is that ex-service men are more likely to get decent terms to the extent that disbursement is in your hands.

Chairman : Ex-service men should have reasonable consideration, but we emphasize the difficulties which are likely to arise under the special contract. We recommend that the various proposals of the Provincial Governments should be explored further and lay stress on the need for flexibility, including, where possible, the use of departmental labour.

Dr. Sanyal : Provided the financial implications are not too onerous.

Chairman : I will now ask Rai Bahadur Khosla to say a few words.

Rai Bahadur A. N. Khosla : The question of employment of ex-service men is receiving the serious attention of the Central Waterways and Irrigation Commission. It is in the preliminary stage of investigation. In the existing waterways and in new ones, there is tremendous opportunity for the employment of ex-soldiers. We are now considering the question of the Mahanadi. It could be made navigable for 200 to 400 miles. This is intimately linked with irrigation schemes and power development and the cost of this major scheme would run to 80 crores. There is also the dam across the Godavari which is to be 250 feet high. That would be navigable for 300 to 400 miles and that might cost another 100 crores. I think personally that the employment of ex-soldiers would be bigger here than in all the other public works schemes put together. These will take a little time. The other point that Mr. Berry raised was about research in river works. In Poona we have got a Central research station where research on river development including inland waterways is carried on. We are gradually extending it. We are adding a navigation section. This might come pretty soon and we are also making provision for workers from that institute, also other officials of the Central Waterways, Irrigation and Navigation Commission and probably some outsiders, going abroad for training. No definite statement can be made at this stage but the point is under consideration.

Dr. Sanyal : Have any students or research scholars been sent abroad, to the U.S.A. in particular, to study river problems ?

Rai Bahadur A. N. Khosla : I am not in a position to answer that.

Sir A. Dalal : One or two students have gone for river research. I don't know whether they have gone under Government auspices or on their own. I had the list before me only two days ago.

Dr. Sanyal : One student has gone, but not with the Govt. of India's encouragement.

Sir A. Dalal : I do not know whether the Govt. sponsored him or whether he has gone on his own.

C. 3. State of Preparedness.

Chairman : The conclusions of the T.A.C. are before you. I do not know whether you would like any further information about the roller programme or any other aspect of the state of preparedness for coping with the road programme.

Mr. Santhanam : The speech of the Hon. Supply Member yesterday about this thing was on the whole satisfactory ; but I want a statement of policy saying that as early as possible India must be self-sufficient in the matter of road-making plant and equipment. I want to know whether Government accept this policy. Of course I am not objecting to getting rollers and other things for immediate purposes. I do not say that our road-making plan should be held up till the entire equipment can be made here. But as early as possible, in the next five or ten years, our road-making must be self-sufficient in the matter of Indian plant and material. I should like to know whether this aspect has been considered by any responsible official or committee, and if any decision has been arrived at by Government on this question of major policy. Not only about road rollers, but there are mathematical and survey instruments and road research about which there should be special arrangements made. There are things like bitumen and other materials which you have to get from abroad. Now that we have got such a big system of roads we should be self-sufficient as soon as possible. It is important to see that the maintenance of roads does not involve payment in kind, as it were, that in order to maintain the roads our peasants are not forced to part with their produce to foreign countries. Of course it is a question of employment also because it is only in road-making plant and equipment that we can obtain the maximum employment connected with the roads. There is also the question of skill. We want our road-making improved and we want our engineers to go on experimenting in the materials also. It is only when we prepare these materials that we can go on experimenting ; otherwise we have to depend on others. As regards railways we are now becoming more or less self-sufficient in the matter of locomotives and goods and passenger vehicles. Similarly it should be accepted as a definite policy of Govt. to make our road system self-sufficient in plant, equipment, research and all matters connected with road making.

Chairman : That is part of the general policy. That was made clear yesterday.

Mr. Santhanam : Even yesterday the Hon. Member said that they are trying to promote indigenous manufacture. But I want a definite declaration about making India self-sufficient, i.e., all future replacements should be made as early as possible in this country. Some ordnance factory or something else may make these things temporarily and then, when they close, the thing is stopped. It must become a definite policy objective. I would phrase it like this—

“ That this Committee suggests that Government should make it an objective to produce all road making plant and equipment in this country as early as possible.”

Dr. Sanyal : “ As early as possible ” is vague. You should say three or five years. The separation of executive and judiciary has been demanded

for three quarters of a century and Govt. have said it will be done as early as possible. That does not mean anything.

Sir, so far as I am concerned, while endorsing the demand made by Mr. Santhanam I want to draw attention to another aspect of the question. Indian public opinion has been very definite in regard to the demand for using Indian materials in developing industrial, commercial or road resources of the country. And as far as we could ascertain, if materials cannot be produced sufficiently early, Indian public opinion would rather wait to collect the materials here before proceeding with the projects. The position is this. We visualise the possibility of taking up all roads on such suitable standards as could be, within reasonable limits of engineering skill, devised, planned and taken up during the next five years with Indian materials like cement, stone chips and binding materials and also several concrete roads on the materials available. If, as I have claimed, cement can be produced cheap and can be supplied cheap, there can be no ground whatever for going over to other countries for materials like road rollers, which we suppose Govt. is trying to place large orders for. So that for the time being if road rollers cannot be manufactured and cannot be had straightaway, let us do what we can with the road rollers available here ; and if over and above you have got plants ready and schemes actually in hand, we shall go on with cement concrete roads for the same. Even if that entails a certain amount of additional cost as capital cost it would save the recurring and maintenance cost, and thereby it will ultimately be a less burdensome proposition for the community. So I want it to be definitely laid down that no case is made out for importing road rollers or machinery from abroad. This must be a definite and specific recommendation from this Committee. We are not convinced, even for immediate supply, of the urgency of importing two or three thousand road rollers, one thousand of which have already been ordered. It is a curious irony of fate that in the last meeting of this Committee, on the 15th January last or some such date, while we were discussing the question of developing Indian industries, particularly the manufacture of locomotives and wagons and an assurance was given here by the Hon. Member in charge of Planning that every attempt was being made to make India self-supporting in the matter of producing her requirements of locomotives and wagons, orders were on that same day placed, of course without the knowledge of members attending here, for five thousand vehicles in Canada. The next five years' supply of railway goods wagons was completely booked.

Chairman : That order was placed very much before that time

Dr. Sanyal : Not before we discussed it. This Committee was given a full-throated assurance that everything was being done to promote Indian industries.

Chairman : I think those orders were placed in the middle of the previous year. We ordered eight thousand from Canada. You may have seen a newspaper report then for the first time.

Dr. Sanyal : If the orders had gone earlier that makes my case even stronger. It is no use giving one kind of assurance or promise here which cannot be kept up or is not meant to be kept up. We want to make it perfectly clear that we will not be benefited and India does not think she is going to be benefited by large imports of foreign materials ; and if we cannot get our roads built without them we would rather remain where we are than try to fritter away our sterling balances in this uneconomic way.

That is one aspect of the question we want to make clear. Secondly, I should like to invite the attention of Sir K. Mitchell and others responsible for this work to the fact that Indian industries even now are in a position to

supply one thousand road rollers in the course of nine months or a year, given suitable encouragement. I made a short survey of it a few months ago in connection with certain measures of the Bengal Govt. as agents of the Govt. of India, perhaps the War Deptt. They invited tenders for repairs to certain rollers and certain firms gave tenders which were not accepted and others were given the tender on the ground that the latter firms would be supplying or executing the orders earlier. In connection with that investigation I came to know that there are firms who are in a position to manufacture road rollers here and could, given proper assurance that their products will be taken over by the Govt. of India, be in a position to manufacture road rollers, probably with a promise to deliver much earlier than Britain can.

Chairman : Can you mention the firms ?

Dr. Sanyal : Das Brothers of Howrah is one ; the Indian Machine Tool Manufacturing Company ; Marshall's have already stated their case ; Cooper is another. There were four or five firms which tendered and we found on inquiry that they were all in a position to manufacture and to expand their manufacture. We would like to maximise their production. We can utilise what we have already got on hand after suitable repairs. The plans can be taken up on the basis of cement concrete roads. We should not depend for road rollers on foreign countries at all. If that is done, I am sure all replacements could be had from local indigenous sources. That is why I wanted to know the time of delivery. If you say that the delivery must be within three months, then the Indian manufacturers could not do that. But if you are banking on delivery 2 years hence, surely it would be a better proposition to place all orders in India. Indian manufacturers can meet all the requirements.

Sir K. Mitchell : Dr. Sanyal wants an assurance on two points. One is that no material should be imported and the other is that no plant should be imported. As regards material, the extent to which the country can afford to make roads in cement concrete depends on the price of cement, and we do not know what the firm price will be. But you may rest assured that there are very few engineers who would make roads now in anything except cement concrete provided the traffic is such as to justify the high initial cost. The amount of money available is finite and that is a brake on the use of concrete. Moreover where traffic is light and the cost of maintenance low, the interest and repayment of loans on cement concrete may exceed the saving in the maintenance charges on a cheaper type. In that case the engineer, looking to the greatest economy over 20 years, would prefer something less costly initially. Even if the cost of cement concrete is very high, and we are given the money to make roads above the standard which the traffic will justify (which we have been told we are not to do) we will be very pleased to make all the roads in cement concrete. Of course, Rs. 20 a ton at the present level of prices would be revolutionary. It is equal to about Rs. 12 a ton before the war, which would be magnificent.

Dr. Sanyal : Don't drag in extraneous matter. If you have a long term contract for 10 years, I think I can supply at Rs. 20 a ton for any quantity of cement, with a margin of profit to myself.

Sir K. Mitchell : I was not suggesting that that was the exact consideration. Anyway, as regards the construction of roads and the import of plant for the construction of roads, there are thousands of miles of road of different classes to be built. India can manufacture bricks and stone for the foundation of roads. I am afraid that there are thousands of miles of road where we may still find that for light traffic, water-bound macadam, with slight surface

dressing, is cheaper, taken over 20 years, than concrete or anything else. For these roads, you have to have rollers ; you have to consolidate the earthen bank, although I admit that you do not necessarily need power rollers for that. You have to consolidate, to roll the foundation, and you have to roll the intermediate coat, even if you are going to put concrete on the top. The estimate we made for the number of rollers necessary was based on the best estimate possible at the time. If there is a revolutionary drop in the price of cement and if you can give us a firm quotation on the basis of Rs. 20 a ton ex-factory, we shall have to revise those calculations. Even so, we shall require a large number of rollers, and if we are to get on, we want them quickly. The position was explained by the Hon. the Supply Member the other day. We are going to call for tenders in India and I know that Marshals and Coopers will join, and I suppose, Das Brothers too. We are prepared to take the additional rollers which can be made in India by some of the firms. But we have been told that firms will not be anxious to instal a lot of plant to make rollers on a large scale for the first two years and only one-fourth or less than that for the remaining years. It is not a commercial proposition. So, in order to meet the initial increased supply, we have to go abroad, if possible as a temporary measure, and also to use the munitions factories, which have ceased to make munitions, to make rollers temporarily, on the understanding that these will go out as soon as the Indian manufacturer is able to take up the full load. But I do think that we must get some at least of the initial supply of rollers that are required, and will be required, even if cement is Rs. 20 a ton.

Dr. Sanyal : Up to what time are the rollers going to be imported ?

Sir K. Mitchell : We are hoping to get them in 1946. At present the prospects of getting them in 1946 are very remote.

Dr. Sanyal : That is to say, for 2 years you will wait till the industries are in a position to supply, and will place orders with them and will not try to improve the industry here.

Sir K. Mitchell : We have placed orders in the United Kingdom already and the rate at which they can turn them out is a matter of the industry getting back into production. In the meantime we are also getting them manufactured in India.

Dr. Sanyal : Has there been any limit for delivery ? If they fail to deliver in time, will the order be cancelled ?

Sir K. Mitchell : No, Sir. We have not made that provision.

Dr. Sanyal : That is our grouse. They will go on indefinitely producing and our industry will suffer.

Chairman : The difficulty is to get them delivered. There is a world shortage of road rollers.

Dr. Sanyal : Exactly. You try in India. Give them 2 years' time here.

Sir K. Mitchell : I do not think we have considered the question of a specific time limit for these orders, because the manufacturers, who are taking up orders far greater than they can supply, would probably laugh at us if we demand that they should be supplied in a specified time. They will merely say, " We will supply as soon as we can ". But if an Indian manufacturer should start and get on to such an extent that we can withdraw from these orders in England, I do not think we should have the slightest difficulty in resiling from the contract. There is a world shortage of rollers. They will be sold elsewhere.

Mr. Santhanam : Will India be self-sufficient in this matter of rollers after 5 years ?

Sir K. Mitchell : I sincerely hope so, yes.

Dr. Sanyal : We would like to have this draft as it has emerged from the T. A. C. modified by the addition of two provisos. One is, as Mr. Santhanam suggested, that it is the desire of this Policy Committee that within a specified time, not beyond 5 years, India's requirements of road rollers and road plant should be so planned as to make India quite self-sufficient.

Mr. Calder : I should like to know if Dr. Sanyal contemplates that heavy tractors be made in this country.

Dr. Sanyal : Certainly. I might inform my friend from Sind that parts of heavy tractors excepting the motor are already manufactured here.

Mr. Calder : Most people prefer to buy a tractor rather than make it up in this fashion.

Dr. Sanyal : We will start with assembly. For the time being, we cannot manufacture certain parts here ; others we can. The other proviso is in regard to the suggestion that cement concrete roads might be proceeded with along with water-bound macadam roads so that the requirements of road rollers will be kept at a minimum at various stages.

Sir K. Mitchell : Would Dr. Sanyal like to indicate at what premium, taking the overall life of the road roller to be 20 years, cement concrete roads should be preferred to other methods of construction ? 10 per cent. ?

Dr. Sanyal : The Concrete Association of India have written about it and as an engineer of reputation you know there have been other papers also written on that. They have made out a case showing that even if a cement concrete road costs initially something like 33 per cent. or 50 per cent. more than any other kind of road, ultimately it is economical to the community.

Sir K. Mitchell : Not for every type of traffic. We ourselves will, as far as there is money available, decide the specifications on the basis of what is the cheapest as for a 20 year life. You wish to go further and say that even if it is cheaper, we should still use concrete. You are suggesting that India should pay for using the concrete over the normal cost.

Dr. Sanyal : I leave that for the Indian National Govt. to decide. It is quite possible that some premium will be welcome to encourage Indian industry.

Mr. Calder : I should like to make one point clear. Dr. Sanyal says he speaks for Indian public opinion. He says that Indian public opinion would rather wait without roads than import machinery from abroad. That may be Indian public opinion in his part of the world, but it is certainly not that in mine. The Govt. of Sind are very keen to get on with roads whether we get the machinery in this country or not. Naturally we should prefer to buy in this country. But rather than sit down for another 5 years with no roads at all, we prefer to buy what we want outside and make our roads.

Dr. Sanyal : I will take up my friend's challenge. I am prepared to address a public meeting in Sind and get public opinion ascertained.

C. 4. Supplementary Matters.

Mr. Dean : I wonder if this is the proper time to bring forward the question of the Road Board. It is a subject in which the Indian Roads Congress, which I represent, is interested. I cannot see any special item on the Agenda as it stands which permits it to be brought forward, though perhaps it might be claimed that it is in some way relevant to the state of preparedness of the road programme. The point is that my Roads Congress are interested in two ways. One is in making the Road Board slightly more widely

based than it is at present, and the other is in giving greater publicity to its findings and proposals. In fact, we might almost say that the former is a long term project, but the latter is one which they urge as being of some importance immediately. I do not know that it needs labouring in particular. The general feeling of the Roads Congress is that a Departmental Road Board is scarcely adequate to discharge the functions laid upon it, that by some consultation with the Provinces it might be possible, although there are difficulties in getting Provincial representation. The further point is that the results of its discussions should be given some publicity so that people will know what is happening in the Road Board. If this is feasible at all, it would be advantageous.

Chairman : Have you any suggestions as to how this consultation with Provinces, this Provincial representation, should be embodied in the Board ? That has been our difficulty.

Mr. Dean : I am afraid not immediately, Sir. I appreciate that it also leads to expansion, and that makes any body which is charged with executive functions less likely to be expeditious. But it did strike me personally that some method of applying a rotational system of Provincial representation might be tried. I do not know whether it has been tried in any other branch of administration. But it is a method that applies to representation on governing bodies of a non-official character. Representatives from different areas or different interests sit on the governing body in rotation.

Chairman : The difficulty is that the Road Board is not really a governing body. Provinces will be very jealous of their own rights.

Mr. Dean : We are voicing to some extent a complaint perhaps that its proceedings are not published. But, as originally envisaged by the Indian Roads Congress, it certainly had got co-ordinating and executive functions. Exactly how it operates as a departmental board, we have no information.

Sir K. Mitchell : Our difficulty about rotational representation on the Road Board is the size which it would become if individual Provinces, and certain States, were to have representation at reasonable intervals. There is no formal representation of the Provinces on the Board, but through the Roads Congress and its committees the Board is in fairly close touch with the Provincial point of view. As regards our working out of sight like beavers under water, I can only say that we do work like beavers. As regards publicity, of the departmental officers who make up the Road Board one is in Simla and the rest are in Delhi, and we have not been able to get down to regular meetings. I think that we could have more publicity if we had a stronger staff, more officers and more regular meetings of the Board ; we could then find time to tell the world what we are doing. All I can say is that we are doing our best—perhaps we have done nothing very spectacular, but a little later on, when we have got more time and more strength, we may be a little bit more spectacular.

Chairman : The whole of the work, if I may say so, that has been considered here has been the work of the Road Board, so that its output is fairly considerable. One of the difficulties is the Provincial feeling that the Road Board, unless it is independently constituted, should not have executive powers. I have had myself strong protests from one Government that the Centre is trying to do too much in the matter of roads. We have to tread warily. That is why we were driven back to the Central Departmental Committee. I think that one of these days we shall have to evolve some independent central machinery on the lines of the Inter-State Commission in the United States to cover also transport problems. That will take a very great

deal of working out and it is really a matter for inclusion in the new constitution.

Mr. Dean : I have one other suggestion arising out of that which I would like to put up to your Department and that is, that as on the initiative of the Govt. of India the Congress which I here represent and which is now very largely an independent body was inaugurated, is it possible to consider the War Transport Department taking under its wing the inauguration of a parallel technical Congress, dealing with road transport, waterway transport, shipping and other items of that sort, on the basis of which, ultimately, a general Communications Body of technical opinion could be built up? Something of that sort does exist in other countries. But, so far, it is only in respect of roads that any such organisation exists in India.

Mr. Ormerod : I would like to support that proposal, Sir. I think it is agreed that the Indian Roads Congress has been most successful in its work. We have already recommended that another body should be introduced, the Indian Road Transport Congress, and I think the time is ripe for the introduction of other similar bodies such as an Indian Inland Waterway Congress, an Indian Coastal Shipping Congress and an Indian Airways Congress. Each one of these bodies would press their particular interests, in which case it would be necessary to have Communications Boards in order to co-ordinate their recommendations in the common good of the country. Having had practical experience of the successful work of the Indian Roads Congress, I urge this proposal.

Chairman : We will give the suggestion consideration and see how it can be worked out.

Mr. Calder : I suggest that until a more representative Road Board is formed, the suggestion of the Nagpur Conference be adopted, namely, that an Advisory Council be formed on which will be represented various commercial road interests and so on. This Advisory Council would advise the present Road Board. The T.A.C. is almost entirely official in constitution. Such an Advisory Council would not by any means be entirely official. There might be some official representation. But all other interests would be represented too. We have seen how at this meeting the decisions of the T.A.C. have been torn to pieces by certain non-official members. Had we an Advisory Council constituted as contemplated by the Nagpur Conference, such would not be the case. This Advisory Council would have much wider interests than Provincial interests.

Mr. Santhanam : Will it be a substitute for this T.A.C. or in addition?

Mr. Calder : The Transport Advisory Council would differ from the Communications Boards which were in existence before the war. Surely, if the Communications Boards could operate actively with the help of all parties concerned, that would meet that point. We have no means at present of discussing these matters at the Provincial level.

Sir K. Mitchell : I would like to say that I agree with Mr. Ormerod. As far as the central organisation is concerned, we have to get constitutional power. These matters which we are discussing are primarily matters in which the executive authority rests in the Provinces. Although we had a Road-Rail Conference to which the Provinces came, I have always the feeling that if we at the Centre take it upon ourselves to consult business interests generally in matters which are the concern of Provincial Govts., they might very readily

say, "Well, this is our function ; why are you consulting these people over our heads ?" Therefore, one of the conclusions of the first meeting of the T.A.C. was that Provincial Govts. should set up Boards of Communications representative of all interests in the Province, interested or affected in any way by transport questions, and that matters of policy affecting wide interests should be discussed and decided there, so that when the Provincial Govts. attended the T.A.C., they were not representing solely the Provincial Govt. or a branch of the Secretariat of the Provincial Govt. or a Dept. of the Provincial Govt., but the views of the Province after the fullest consultation with the interests concerned within the Province. Although we here, in doing our job, would very gladly have an Advisory Council which can help us, I do not think it is really the function of the Centre to set up an Advisory body at the Centre to advise the Centre on matters within the Provincial field, at least not without the strong support of the Provincial Govts. I think it is far better, if necessary, to bring it to the notice of Provincial Govts. that it is desirable to revive their Boards of Communications and make references to them for advice so that we may not have complaints that plans are being worked out in the present Advisory Council without non-official opinion having been consulted in advance. I think that consultation should be within the Province and not up here.

Dr. Sanyal : There is some misunderstanding of the position and function of the Boards of Communications in the Provinces. So far as the Bengal Provincial Board of Communications is concerned I am aware that they were originally entrusted with examining such schemes as were likely to be forwarded for approval to the Government of India as one of their stipulations in connection with the Road Fund allotments. Subsequently at the insistence of the Provincial members, particularly of some Members of the Legislature, the Board of Communication was informally utilised for advising on other projects also, projects for which the Provincial allotments of funds were going to be utilised. But for the last two years or more, there have been no meetings of the Provincial Board of Communications. There was only one meeting, I think. The Provincial Government took the view that as the Central Government Road Fund was suspended and no provision was going to be made, there was no point to meet and there has been no meeting of the Board of Communication except on matters where purely local interests were involved. With regard to the setting up of a consultative body at the Centre, I also feel some diffidence at having numerous advisory bodies of the character suggested even by Mr. Ormerod.

Mr. Ormerod : If I may interrupt, Sir, I did not suggest that at all. I wish to see Communications Boards in each Province which would screen all demands for improved communications. The other bodies proposed by Mr. Dean and supported by me would be demi-official bodies on the same lines as the Indian Roads Congress, with a combination of officials and others associated with the particular interests concerned, whether inland waterways, coastal shipping or roads and the transport side of roads, and kept active by the vested interests concerned, their recommendations being screened by Boards of Communication in the Provinces and at the Centre. They are two-entirely different proposals.

Dr. Sanyal : Well, I am glad that Mr. Ormerod has explained himself. If at the stage where the projects are initiated—i.e. in the Province—there is complete understanding between the official and non-official views to consult various interests, there cannot be any further justification for a similar body at the Centre. But what I have suggested at an earlier stage and what I want to emphasize at the close of our discussions is the urgency of having something like a Standing Committee at the Centre to coordinate various plans,—plans emanating from the river side, the road side and the railway side. As I have

pointed out to you, even though we had all been working more or less with similar objectives, ultimately the plans before us will show the necessity of further examination of these objectives. Some of them are overlapping. Some are taken up to cover areas which have hitherto not been in the original estimate or plan, and there must be one body of official and non-official men forming a Standing Committee to advise the Member in charge of Communications before actually any particular scheme either on road or railway is taken up. That body should also decide on the priority of any particular project after consideration of the various factors in the country. I would suggest that whatever may be done, let there not be a repetition of the mistakes of the past by creating water-tight compartments, particularly in the sphere of transport, and let us try to coordinate the efforts of railway development with road development, and let that coordinating machinery not be left to one individual or to individuals who each in his own sphere may be a giant, but let it be left to some Standing Committee recruited from the rank of experts or officials or non-officials who could give an unbiased opinion. They could advise the Member in charge who will be the final authority in giving a decision.

Chairman : That just sums up the difficulty. The final authority rests in the Province.

Dr. Santhal : The approval of the planning, like National Highways and railways, will be yours.

Chairman : Roads is a Provincial subject. I should mention that the Central Government has a voice in these matters, and in addition to these Committees we have three Committees in the Legislature which have to be consulted in these matters—the Standing Committee for Roads, the Railway Advisory Committee, and the Standing Finance Committee for Railways. All of these come in on these questions and all of their advice we have to take.

Mr. Santhanam : You may incorporate all these committees into one Communications Committee of the Central Legislature.

Chairman : But they all deal with different aspects of the subject.

It seems to me that two proposals might go forward from this Committee :

(1) That the Government of India should be asked to consider the desirability of organizing Committees on the lines of the Indian Roads Congress to cover other forms of activities of inland transport ; and

(2) That it be brought to the notice of Provincial Governments that it might be advantageous that the Boards of Communications should be revived to screen proposals for road development.

Mr. Ormerod : One difficulty would have to be overcome in the Provincial Boards of Communications, railways being a Central subject and roads a Provincial one. In the past (I refer to my experience with the Bombay Board of Communications) Railway representatives always said 'no' to every Road project put forward, while Roads representatives showed themselves willing to change their views in the light of the discussions which took place. This brought proposals to a standstill on many occasions and caused me to remark at the time that Railway representatives apparently knew only one word in the English language and that was 'no'.

Chairman : I think we have advanced a very long way on road-rail co-ordination and I hope we shall advance much further in the coordinating machinery we are setting up. I hope you will see a much greater degree of co-ordination between the two.

Mr. Ormerod : I think that if you could, in the resolution, specify the various forms of communications, it would help. We want the maximum availability from all forms of communications dove-tailed into the national cause.

While seeking pressure from all sources of transport within the scope available, we do not want that this pressure should be expanded in one particular direction or another, if not in keeping with the general welfare of the country.

Chairman : Would you suggest a wording ?

Mr. Ormerod : The organisation should include the Indian Roads Congress, the proposed Indian Roads Transport Congress, the Railway Board already in existence, a proposed Indian Inland Waterways Congress, a proposed Indian Coastal Shipping Congress, and a proposed Indian Airways Congress, with Communications Boards in the Provinces and at the Centre, coordinating the interests of all.

Dr. Sanyal : How would you solve the problem if two heads of your Department come up with projects which are equally acceptable ? Would Sir Arthur Griffin's proposals for railways be given preference over Sir K. Mitchell's proposal for a National Highway ? I feel from the discussions that we have had in the last few days that projects that have been just marked out in the map are still in the process of formation. The railway schemes also seem to be merely an outline. Traffic surveys have to be taken and a lot of things are to be examined. After all these data are collected a small committee should go into the whole question and advise which should be in the national interest and which should not be proceeded with. How are you going to do that ? Each Province would send in its own recommendation and there would be alternative recommendations also. There must be some machinery finally to advise you as to the project that should be proceeded with and the alignments that should ultimately have your acceptance.

Sir B. P. Singh Roy : I am doubtful whether a single body would be of much help. As time progresses, I am afraid, the autonomous Provinces are going to be more and more self-conscious and they would naturally resent any interference by the Centre. So the Member in charge at the Centre would have to consider the suggestions from the different Provinces for different schemes and would have to come to his decision in the light of the recommendations from the various Provinces. The decision will be the decision of the Member in charge in the light of the recommendations of the Provinces. I think another Committee will be mere duplication of work.

Chairman : On these communication matters, I do sometimes suffer from multiplicity of Committees who do not always give the same advice and one ultimately has to decide between the advice of the different committees. If I may say so, co-ordination, in my mind, should go further back to the Province. Take Bengal. We have discussed two prominent cases : the Barisal railway and the Rangapara railway, which run, in both cases, parallel with waterways and with projected roads. It seems to me those are recommendations which should come from the Provincial Government and the railway and waterways interests locally. If you had an all India Committee, they would not be able to go into it in the same detail as the local interests. That is where co-ordination should begin and we should get considered opinion from there. That brings us back to the revival of the Board of Communications.

Dr. Sanyal : Is this the future policy that is being proposed ?

Chairman : I am talking about the way these things ought to be resolved.

Dr. Sanyal : So far the opinion expressed by the Provinces is nowhere near what has been planned ultimately by the Centre.

Chairman : The Centre have not yet ultimately planned. I said so in my opening speech.

Dr. Sanyal : Will this prevail or that ?

Chairman : The ultimate decision on National Highways will rest with the Centre but I do not want to come to any decision until I have had full Provincial consultation.

Dr. Sanyal : So the Province's opinion as appears now either has not come in proper time or has not been given due attention. We would like to know exactly what procedure you would like to follow.

Mr. Ormerod : If we had Communications Boards working actively in the Provinces, all these problems would be dealt with by these Boards before reaching the Centre, in which case the people of the Province would be enabled to give an expression of opinion in time. You remarked just now that Communications Boards in the past were limited to dealing with schemes financed under the Road Fund. For the purposes in mind, the scope would be increased to cover all forms of proposed communications whether financed provincially or centrally.

Dr. Sanyal : The Post-war Planning Committee has not functioned.

Mr. Ormerod : The Chairman's proposal was that these should be screened in the Provinces through the medium of Communication Boards.

Dr. Sanyal : No road project or railway project would be finalized without previous consultation with or approval of the Provincial Board of Communications.

Mr. Ormerod : That is how I understand it.

Chairman : We should certainly like to have the views of the Provincial Board of Communications before coming to any decision on the construction of railways. May I refer you to the concise statement of policy to secure the co-ordinated development of road and rail transport adopted by the T.A.C. at its meetings on the 7th, 8th & 9th January, 1935.

"Each Local Government should create or maintain Provincial Boards of Communications with advisory functions relating to matters concerning the co-ordination of road, rail and inland water transport, on which the railways and inland water transport of the Province should be adequately represented, and no important scheme of road, rail or inland waterway development should be approved by the Local Government until it has been discussed by the Board after adequate notice has been given to the various interests concerned."

I think today we can profitably cut discussion short by suggesting that this resolution might be brought to the notice of Provinces.

Mr. Sarkar : So far as railway schemes are concerned, the Bengal Government constituted a Committee in which other interests were represented. The post-war reconstruction Committee was functioning and the committee had the opportunity of examining the scheme in particular detail before we sent it to the Govt. of India.

Chairman : There is still a little doubt in my mind. Take the Goalpara project. You are proposing to put a road and railway beside it. I would not decide on that until I had further advice locally.

Mr. Sarkar : The meeting which decided that was attended by all the interests concerned.

Chairman : Do we agree to bring to the notice of Provincial Governments this resolution ; and agree that the Government of India should be asked to consider the desirability of organizing committees on the lines of the Indian Roads Congress to cover these other forms of transport ?

Mr. Sarkar : When Ministries are formed we think that these reconstruction committees will be revived. In addition to all of these, will it be necessary to have a Road Committee ?

Dr. Sanyal : At the moment none is functioning.

Mr. Sarkar : It may be so but we are expecting to revive our Committees as soon as the Ministry is revived.

Chairman : That is a matter for the Provinces to decide. But a Committee to carry out the functions specified would be a good thing.

Mr. Santhanam : The Road Board is a permanent part of the organisation, but the reconstruction committee is temporary.

Chairman : So much for the revival or creation of other Boards of Communications or Congresses. We want to get settled the first point raised on the state of preparedness.

Mr. Santhanam's suggestion was that we should make it an objective to manufacture all road-making equipment in India within five years and so far as possible to use only Indian materials. There can be no difficulty in agreeing on that. *Dr. Sanyal* wanted to go a good deal further. I suggest that we stand on *Mr. Santhanam's* recommendation. We will take that as agreed.

C. 4. Engineering Personnel.

Chairman : I do not think we need spend much time on Engineering Personnel—it is on the agenda.

Dr. Sanyal : I would like to make it clear that I do not agree with this conclusion that a central pool of engineering officers is not necessary. On the contrary I feel that in view of the continued cry in my Province, at least, about this dearth of engineering officers, it will be very helpful if a sort of common pool is made, from which, as and when demands from various Provinces come for increased work as we take up particular road projects, this pool might supply more officers if necessary in a particular area. I quite see that the engineering officers in a Province might not like it. A pool would mean the possibility of interchange of men, and their prospects would to some extent be retarded, and young men in the Province would not like to be superseded by others coming from outside and so on ; but from the national wider point of view, a pool would be distinctly helpful ; it would enable a larger number of officers to be drawn upon as and when required in particular areas.

Chairman : I do not think there is really very much to be said, because the resolution is to the effect that the general position is that the shortage of engineer officers is not such as to call for special measures such as the creation of a central pool. It is not for us to say that the Provinces do not know their own business in the matter of officers.

Dr. Sanyal : I hope we will not be told in future that a particular work could not be done for want of officers: this sort of reply has been given in Bengal.

Chairman : You cannot form a pool with one or two Provinces only.

Mr. Santhanam : How can you compel a Provincial Government to take from the central pool ? Unless they want it, you cannot thrust any officers on them, and you will have superfluous men.

Chairman : The vast majority of Provinces said they did not want it ; one or two said they did ; but there was so little support that we came to the conclusion that we could not go ahead, and Provinces must make their own arrangements.

D. 1. Report of the Port Development Committee.

Dr. Sanyal : With regard to the question of port facilities, I must begin by congratulating the departmental committee on the way in which they have drawn attention to the vital problems in a very logical and cogent manner. I do not quarrel with their findings. The only point I would like the Government to take note of is that in regard to the major ports—and here I am talking particularly of Calcutta—we think that in spite of the fact that the port may be in a position to handle postwar traffic to the extent estimated at the present moment, there is scope for modernising the port in some important respects ; at certain of the jetties we require imported machinery to be fitted up and some of the arrangements should be scrapped. The cost of handling at Calcutta port has gone up during recent years ; and if we want to give trade the relief that is very much needed, the cost of handling must be brought down and this can only be done by modernising the arrangements.

We have felt two things to be necessary in the Calcutta Port. One is better arrangements for maintaining the channel from the sea to the port : the dredging arrangements of late have developed into rather dangerous proportions. These shoals and bars have not been maintained in the standard which we should like and vessels 30 ft. and above have to wait for tidal periods before entering. This state of affairs has got to be done away with. The third point that is needed is some considerable facility for ship building and better repairs. There is some repair yard now, but ship building is a very important ancillary to a big port and that has also to be looked into. That is about the port of Calcutta.

So far as Chittagong is concerned, a good deal of improvement is needed, and I feel that it has been taken note of ; and as I have stated earlier, a small port in the Orissa coast might also be improved—particularly Chandbali, which at the present moment permits vessels up to 12 feet or 14 feet at times to come in ; this will facilitate movement of grains, particularly paddy and pulses and other commodities. That port is only 40 miles off from the railway station and it is all the more necessary for developing that area. It is connected by inland water ways to Cuttack and eventually, if the Mahanadi is improved, it will open up the hinterland to coastal traffic.

Mr. Santhanam : I have already pointed out that this committee for port development was not given any kind of target for postwar expansion, and so it was limited by the terms of reference asking whether the present capacity of these ports will be adequate in the years immediately succeeding the termination of the war against Japan. There are also two other defects in the terms of reference. It is not sufficient if the present capacity is adequate to exports or imports. It is necessary to find out whether the present distribution of ports gives India the maximum benefit of these exports and imports. What is the good of getting big machinery in Bombay and then transporting it two thousand miles to the east coast ? the facilities may be called adequate in a very limited sense, because the stuff can be landed in India ; but if you have to carry it another 2,000 miles to the place where it is needed, then it is very unsatisfactory arrangement ; and so the committee should have been asked to report whether the present distribution of exports and imports is well served by the present distribution of ports. I know they have recommended that a large port on the east coast is necessary. But there should have been a term of reference to that effect.

As regards strategic requirements in the recent war we know that if only the ports of Bombay and Calcutta had been sabotaged, the whole of the defence would have collapsed. In a country with three thousand miles of

coast line, can we be satisfied with two or three ports in the event of an emergency? you rely on strategic railways and on strategic roads but when it comes to ports, why should the strategic consideration be eliminated altogether? The fact is that you think after all the defence is somewhere in London or Portsmouth and the British Navy is there, so that strategic considerations in India need not be thought of. I think that part of the policy must be considered.

I find that the committee was appointed to report on major ports; but they say the time has come for seeing that if any large port is needed, it must be started as a minor port. I do not quite understand the implications of this. If we conclude that some large ports are needed for this country, then we should go about creating conditions for those large ports. I do not see how from the data a conclusion can be arrived at that you should create a minor port first and then see if it can be developed into a large port. It is a sort of obiter dictum of this committee—on page 11 they say:

“If and when new ports are planned, they should be developed in the first place as minor ports, mainly for the use of coastal traffic, before being made to meet the demands of large scale overseas trade.”

I do not understand the rationale of this recommendation. Ports can be planned only with reference to long term planning: you do not plan ports for two or three or five years—you plan ports for 30 or 50 or 100 years. We must therefore have long term planning in the case of ports. Either we want ports or we do not. If we want them, there is the acquisition of sites for wharves and other buildings, etc., and we should have everything which a large port should have. Otherwise people will buy up the land and it will be haphazard development and you cannot do that. For a large port, it should be planned from the very beginning. You need not spend all the amount at once, but the planning itself must be on the basis of a large port. It is only when this is done that we can have satisfactory facilities. Also it is wrong to calculate possibilities of increasing trade. The creation of ports itself creates imports and exports. For instance, between Madras and Cochin if you have a big large port in the south, I am sure many more things will be bought from outside by the public than they are doing now, because the difficulty of getting by rail many things from Madras or Cochin makes the cost so prohibitive, and so it prevents the development of industries as well as international commerce. A broader and a longer outlook is needed in this matter. I do agree to the appointment of a technical sub-committee, but its terms of reference should be broader, and it should be able to report how many more ports are needed in this country both from long term trade as well as strategic requirements, where those ports can be located and what are the initial steps that must be taken with a view to their ultimate development as major ports.

Chairman: I quite agree on the necessity of planning on a long term basis for ports but we have to bear in mind the traffic in sight; we have endeavoured to plan so far for the traffic that we can see in sight. It is not easy to foresee what the overseas trade of India will be in view of the policies which are being adopted. For instance, it is proposed to crush groundnuts in India and utilise them in India. That will limit the export of groundnuts. It is proposed to manufacture machinery in India, road rollers and things of that type and not import them. These will naturally reduce the overseas trade. For long term plans like that, we in the War Transport side are dependent on guidance from other departments. We have taken into account what guidance we could get, but we cannot really foresee much further than five years ahead. For the first five years the capacity is adequate. That is the immediate problem that we have before us, but we have to look at the question whether the plans of the Planning and Development Department would lead to such an increase of trade as to lead us rapidly to expand the ports

As regards long term planning we did some time ago plan on a long term basis in the case of Vizagapatam. The traffic has not been forthcoming. If the hinterland is opened up and the Orissa, Bastar and the Hyderabad States bring more traffic, then it might be worth expanding but it is not a light undertaking to open a large port. One does not see at the moment what major ports are necessary, because the existing ports can handle the traffic that is passing and is likely to pass in the next few years.

Dr. Sanyal : Even the port of Vizagapatam has not been so much of a success from the traffic point of view as was originally contemplated. Unless Bastar and other States develop, the case for a major port on the Eastern coast is remote.

Chairman : We must see the traffic coming and then make arrangements in the light of what is coming.

Dr. Sanyal : I would suggest that minor ports be developed for coastal traffic.

Mr. Warren : I shall briefly reply to the points raised by Dr. Sanyal and Mr. Santhanam. Dr. Sanyal referred to the need for modernising the port of Calcutta. I can assure the members of the committee that the Calcutta Port Commissioners have this very much in mind and have already planned as far as they can possibly do so for modernising. During the war a number of new berths were constructed at the port with the help of the army and all those berths were constructed on modern lines. Also during the war, the Port Commissioners with support from the Central Government placed an order for mechanical coal loading plant to improve the coal loading at the port, and they have also been able to obtain from army sources various modern cranes and other equipment.

Dr. Sanyal : Will these things taken on lend-lease be left there or taken away ?

Mr. Warren : I understand that all the cranes which the Port Commissioners wish to retain permanently, whether from the United States or British sources, will be sold to them. Then Dr. Sanyal also referred to the dredging arrangements in the Hooghly. I should like to explain that during the war dredging difficulties were almost entirely caused by the world shortage of dredgers. That can only be rectified as modern dredgers are manufactured.

Reference was also made to ship-building. I should like to explain that there is a ship-building panel which is functioning under the P. and D. Department. That has recently toured to Calcutta and Vizagapatam. I understand that they will be making their report shortly as to future planning for ship-building.

The remarks made about the improvement of Chittagong are noted and I think the Port Commissioners there have this matter under consideration. I know that they realise that there is great scope for modernising the port of Chittagong.

Dr. Sanyal : What about financing them ? That is the chief trouble.

Mr. Warren : That is the trouble with Chittagong. It is not financially in such a sound position as the other ports. That is a matter which we shall look into in consultation with the Port Commissioners.

Mr. Santhanam criticised the terms of reference to the Port Development Committee. I think he realises that the Committee has taken into account not only present trends of imports and exports, but probable increases in imports and exports during the next 4 or 5 years. He also made reference to the third term of reference. That certainly left it open to the committee to suggest

ports on any stretch of coast line which they thought ought to be served, and they came to the conclusion that, apart from the need for a large deep sea port and a sheltered dock on the east coast of India capable of taking large modern vessels, to their mind there was at present no need for any additional major port on any particular stretch of coast line. Mr. Santhanam also remarked on the possible terms of reference to the technical sub-committee. Of course I must explain that the terms of reference to that committee will be quite different from the terms to the Port Development Committee. They would first be asked to give their views on the suggestion of a modern dock to be constructed on the east coast of India, and then they would be asked to advise on the various suggestions that have been put forward by Provincial and State Governments. I think that is all I have to say.

Chairman : The two questions in the covering paper are—

(1) concerning the appointment of a technical committee and (2) whether the report* should be circulated to the Chambers of Commerce for opinion.

I take it that the answer to both these points is 'yes'

(The Committee agreed.)

That concludes our agenda.

Sir B. P. Singh Roy : It is my pleasant duty on behalf of my colleagues to offer a hearty vote of thanks to the Chair. The way in which you, Sir, have discharged your duties as Chairman of this Committee has excited our admiration and respect. The subjects were complicated and your unruffled temper and vast experience as a business man have enabled us to come to tangible and concrete results.

(Sir B. P. Singh Roy also congratulated the War Transport Department on the satisfactory progress made in co-ordinating the different forms of transport and expressed his appreciation of the way in which the officers of the department had carried out their duties. The motion was supported by Dr. Deshmukh.)

Chairman : I thank you very much indeed for your kind words. In meetings of this sort and with complicated subjects such as these, all is well that ends fairly well. I do think that we have reached a large measure of agreement on a number of points, and we have reached concrete decisions which enable us to get ahead, and that is the object of these meetings. It is not merely to express views.

I particularly appreciate the remarks made in regard to the officers of the department. I wish to say how appreciative I am of their work, especially during the war. In particular I would like to express my personal appreciation of Sir Kenneth Mitchell who has been working on this complicated agenda night and day for months. There is an immense volume of work involved in producing documents of this nature and boiling them down to something that will lead to tangible results. I am sure I am voicing the view of every one here when I say how grateful we are for the hard work he has put in in this connection. Gentlemen, I thank you.

The proceedings then terminated and the committee adjourned.

CONCLUSIONS.

A. Railway Development.

The Committee took note of the provisional proposals and recorded the view that effective machinery should be set up for consultation between the railway administrations and official and other interests in the Provinces and, particularly in Eastern India, river transport interests ; and that special regard should be had to the effect of railway construction on natural drainage and hence on public health.

B. Road Transport and Road Rail Co-ordination.

1. *The " Code "*.—Subject—

(a) to the objections of two members to para. 5 of the Code, as noted in the record of the proceedings ;

(b) to clarification of the implications of para. 7 (1) ; and

(c) to the comments of members on certain points of detail as noted in the record of the proceedings ;

the Committee agreed that the Code may be recommended to the Central and Provincial Governments for acceptance.

2. *Amendment of the Motor Vehicles Act.*—The Committee reserved their comments on the proposals to amend the Motor Vehicles Act pending publication of the draft Bill.

3. *Employment of ex-service men in road transport.*—The Committee was divided as to the best method of securing employment of ex-service men in transport. Some of the non-official members were opposed to the recommendation in para. 3 (2) of the conclusions of the Transport Advisory Council and considered that Provincial Governments should use other means than compulsion in the manner therein proposed to ensure that road transport operators reserve a specified proportion of future vacancies to ex-service men.

C. Road Development.

1. *The National Highway Scheme.*—(1) The Committee accepted in general the scheme of National Highways as agreed to by the Transport Advisory Council, with the proviso that the standards of construction and the priority accorded to their development should not be such as to prejudice balanced development of district and village roads.

(2) The majority of non-official members supported the attitude taken up by the majority of Provincial representatives in the Transport Advisory Council in respect of the Road Fund ; and the majority of the Provincial and non-official members of the Committee desired to record their opinion that the Road Fund should not be discontinued, but should be continued in its present form and its permissible uses extended to cover maintenance ; *pro tanto* deductions, if necessary, being made from any subventions from Central resources for post-war reconstruction in the Provincial field.

2. *The employment of ex-service men on road construction.*—(1) The Committee generally supported the conclusions of the Transport Advisory Council, but laid stress on the need for flexibility in any schemes.

(2) In particular the Committee, while agreeing that the claims of ex-service men should have due consideration, drew attention to the difficulties which are likely to arise in the special contract scheme, and recommended that the various proposals, and also the greater use of departmental labour wherever suitable, should be further explored ; and that the financial implications of the different schemes should be further studied.

3. *State of preparedness.*—The Committee noted the conclusions of the Transport Advisory Council in this matter and recommended that the Central Government should make it their objective—

(a) that within five years arrangements should be completed for the manufacture in India of all road-making plant and equipment required for her own purposes ; and

(b) that as far as possible only Indian materials should be used in road construction.

4. *Supplementary matters.*—(1) The non-official members of the Committee wished to bring to the notice of Provincial Governments the desirability of reviving the Provincial Boards of Communications recommended in clause (c) of Part III of the Concise Statement of Policy adopted by the Transport Advisory Council at its first meeting in January 1935 which runs as follows—

“ Each local Government should create or maintain provincial Boards of Communications with advisory functions relating to matters concerning the co-ordination of road, rail and inland water transport, on which the railways and inland water transport of the province should be adequately represented, and no important scheme of road, rail or inland waterway development should be approved by the local Government until it has been discussed by the Board after adequate notice has been given to the various interests concerned ”.

(2) The non-official members of the Committee brought to the notice of the Central Government the desirability of the Central Government's sponsoring the creation of bodies, on the model of the Indian Roads Congress, to deal with Road Transport, Inland Water Transport, and Coastal Shipping, respectively.

D. Report of the Port Development Committee.

The Committee agreed with the lines on which action had so far been taken, and were in favour of the proposals to appoint a technical committee to investigate fully the suggestions made in para. 15 of the Report, and to circulate the Report to Chambers of Commerce for opinion.

APPENDIX I.

AGENDA.

1. Road Development (including Resettlement).
2. Road Transport and Road-Rail Relations (including Resettlement).
3. Post-war Railway Plans.
4. Report of the Port Development Committee.

Item 1.—Road Development (including Resettlement).

At its meeting in January 1945 the Committee generally accepted the classification of roads and recommended that the Central Government should assume liability for National Highways and set up the necessary organisation to assist Provinces with technical problems in connection with road development generally. The committee further endorsed the view that special attention should be given to the improvement of district and village roads, so as to effect a balanced plan.

2. The Central Government have now made specific proposals to Provincial Governments in respect of the scheme of National Highways and the conditions upon which the Central Government feel they would be justified in accepting the liability. A copy of the letter on the subject addressed to Provincial Governments is appended.

3. It will be noticed that a number of National Highways inevitably pass through States. It is not the intention of the Central Government to accept any liability in the case of States whose financial resources are apparently such as to enable them to construct and maintain these roads to the standard adopted in British India, but they propose to negotiate with other States as to the measure of financial assistance necessary, and regarding the other conditions.

4. It will be observed that, in sub-para. (vii) of paragraph 6 of the letter to Provinces, it is made a condition of the assumption by the Centre of liability for National Highways that Provinces should, in applying available resources to road development, attach particular importance to district and village roads.

5. Plans for the employment of ex-service men on road construction, on conditions as to wages, housing, sanitation and so forth which can reasonably be regarded as suitable for them, have been suggested to Provincial Governments and will be discussed at the Transport Advisory Council meeting which will be held on dates immediately preceding the meeting of the Policy Committee. Recommendations made at those discussions will be reported to the Committee.

6. In the matter of technical assistance to Provinces, plans are being matured with the Council of Scientific and Industrial Research for the establishment of a Central Road Research Institute at Delhi and it is hoped that an early beginning will be made. This will be linked on the one hand with the whole scheme of research and on the other with smaller road research and experimental stations in Provinces, through an organisation for technical co-ordination and information under the Road Board.

7. The Committee at its last meeting referred to the need to co-ordinate the road development plan with the industrial, particularly in the avoidance of import of large quantities of materials and plant. Subject to the consideration of the urgency of making early progress with road development both to provide employment and as a pre-requisite of much other development, and to considerations of economy, no avoidable imports will be made. Detailed specifications for the immense road plan have not yet been worked out—and must necessarily depend on the traffic and climatic conditions of each case. Speaking generally the cost of making in cement concrete all hard surface roads—other than those left as plain metalling or surfaced with indigenous tar and bitumen—will be prohibitive; and some bitumen may have to be imported. But the necessity for imports will be carefully and continuously scrutinised, and avoidance of unnecessary imports will be strongly pressed upon Provinces. As to plant, there is an immediate need for large numbers of rollers which Indian Industry cannot supply at present and which must be obtained from

abroad if the road plan is not to be seriously set back. This requires an annual procurement in the next two or three years at a rate far in excess of the future regular recurring demand in India ; and manufacturers in India have been asked to tender for a small order on the basis of the probable future replacement demand. Should they be able and ready temporarily to expand immediately to cover the spate demand, they will be encouraged to do so. All hand tools can be made in India ; specifications have been given to D.G.M.P. and Provinces have been asked to place their indents on that officer. Other items of road making plant sufficient for the immediate needs of the road plan are probably available from war surpluses. The question of the future manufacture of these is being examined by a sub-panel.

Letter No. PL-13 (20), dated 14th September 1945, from the War Transport Department to all Provincial Governments.

I am directed to forward herewith a map* showing the roads which the Central Government now propose to classify as National Highways, together with a number of mileage and other statements as detailed at the foot of this letter. The alignments shown on the map are in certain cases not yet final and subject to further investigation and discussion with the Provincial Government concerned.

2. (1) Without prejudice to the constitutional position, and subject to the vote of the Legislature, and to agreement being reached between the Central and the Provincial Governments in respect of the matters set out in para. 6 below, the Central Government are prepared, as part of a comprehensive policy for communications and transport and as part of their contributions to the financing of post-war developments in the Provincial fields, to accept future liability for the development and maintenance of National Highways in accordance with estimates to be approved by them from time to time and with effect :—

(i) in respect of maintenance, from the 1st of April 1947 ; or

(ii) in respect of "original works" from the date of specific sanction in each case, which date may in certain cases be prior to the 1st of April 1947.

(2) It is hoped that the necessary agreement will be reached as a result of the discussions at the next meeting of the Transport Advisory Council, but should it be necessary in any case, for urgent reasons, for the Provincial Government to undertake liabilities in respect of land acquisition, or for construction, before agreement has been reached, the Central Government will be prepared to accept retrospectively upon conclusion of the agreement any liabilities for National Highways incurred with their specific approval after the date of this letter.

3. The system of National Highways now proposed is less extensive than that illustrated in the Nagpur plan which was circulated to Provincial Governments with the Posts and Air Department letter No. R.185, dated the 29th February 1944. The omissions are due in the main to the fact that the Central Government are, unless there are special considerations in any case, prepared to class as National Highways only those roads which are of interest to more than one unit of administration in British India. Consequently, as will be seen, only those roads in Indian States have been included in the system which are accepted as a necessary part of the through communications of the country as a whole.

4. The continuance of allocations from the Central Road Fund to Provincial Governments for road development would, under the new conditions and having regard to the scale of assistance involved by the acceptance of National Highways as a Central liability and also to the financial assistance over the whole field of Provincial Development, be an anomaly. In the circumstances the Central Government do not consider it necessary that allocations to Provinces from this Fund should continue, and they propose therefore that these allocations should be discontinued after distribution of the revenue accruing to the fund during the current financial year.

5. (1) The Central Government wish to take this occasion to conclude with Provincial Governments a clearly agreed convention on the various questions relating

*Not reproduced.

to transport co-ordination which have been under discussion in the Transport Advisory Council from time to time, and thus to summarise in one place a statement clearly defining the common policy in this matter which the Central and Provincial Government jointly undertake to pursue.

(2) The Central Government recognise that, in inviting the Provincial Governments to exercise their executive authority in conformity with this agreed convention, they are asking them to impose upon themselves certain limitations in the exercise of that authority. They believe, however, that Provincial Governments fully recognise that the great difficulties and complexities inherent in the many problems of road and rail coordination are necessarily rendered more difficult by the existing constitutional divisions of function and cannot fail to be aggravated by too rigid an insistence upon precise demarcation of the limits of those divisions. As stated by the Hon'ble the Finance Member at the last meeting of the Transport Advisory Council, the execution of the various plans for post-war reconstruction will require very close co-operation and co-ordination between the Provincial and Central Governments, and the Central Government feel that they are on sure ground in urging that if they on their side have, in the sphere of finance, to go beyond constitutional rigidities, Provincial Governments should for their part be prepared to adjust the rigidity of their constitutional prerogatives to the needs of a common policy. The reasons for which the Central Government consider it imperative at this stage to institute a policy and practice of real and effective co-ordination between rail and road transport have been stated from time to time in the Transport Advisory Council and are repeated at length in the introductory explanatory note to the draft "Code" which is being circulated with this letter. These reasons need not therefore be recapitulated here.

6. Apart from the necessity of reaching agreement regarding the control of road transport on the lines suggested in the draft "Code", the special conditions which the Central Government feel should apply in the case of National Highways were, in the main, discussed at the last meeting of the Transport Advisory Council with varying degrees of agreement on different points. It is however necessary to recapitulate them here. The special arrangements which the Central Government propose in respect of the control of long distance goods traffic on National Highways have been dealt with in the "Code" and the explanatory memorandum therewith. The remaining conditions which the Central Government wish to couple with their acceptance of liability for National Highways and to embody in an agreement with Provinces are that :—

(i) Provincial Governments will accept as final the decision of the Central Government as to the inclusion of any road in the National Highway system, the standards to which the different parts of the system are to be developed and maintained, and as to the priority of execution of any work of construction or improvement.

(ii) Detailed estimates for all expenditure on National Highways will be subject to the technical and financial sanction of the Central Government or the Central Road Board.

(iii) The Central Government will have the right to employ its own agency for the development and maintenance of National Highways, but normally Provincial Governments will undertake this through their Public Works or Highway Departments.

The Central Government will reimburse Provincial Governments in respect of establishment and tools and plant charges as follows :—

(a) where the work or maintenance is carried out by the regular Executive Divisions of the Provincial Public Works Department, at a rate of $7\frac{1}{2}$ per cent. on the works or repairs expenditure brought to account, and

(b) in the case of major projects where establishment charges can be isolated, as in the case of large bridges, the actual cost of establishment employed on the work without any allowance for administration (Chief and Superintending Engineers and their offices) plus a fair allowance for wear and tear of tools and plant or $7\frac{1}{2}$ per cent. of the cost of the work whichever is less.

NOTE :—The status of these roads as regards the vesting of the property therein will not be affected by their classification as National Highways, and

so long as the Provincial Public Works Agency is employed on their construction and maintenance, liabilities attaching to ownership will remain with the Provincial Government.

(iv) Provincial Governments will regulate traffic, prevent encroachment on road lands, and promote legislation as necessary to control roadside (ribbon) development, to restrict access to National Highways and to levy betterment (or unearned increment) value, all in accordance with the advice of the Central Government which may be given through the Central Road Board.

NOTE :—The Central Government lay no claim to receive any payment on account of levy of betterment value. They are only concerned that when roads are developed from Central funds in areas in which industrial and residential development necessarily follow, the betterment value, or a reasonable part thereof, should accrue to the public purse.

(v) Save with the approval of the Central Government in exceptional cases, National Highways will be free of all tolls or other imposts in respect of all motor vehicles on which the vehicle tax has been duly paid in a Province or in a "reciprocal" State, that is a State issuing a certificate of registration which under Section 28 of the Motor Vehicles Act is valid in British India.

(vi) Provincial Governments will agree to exempt from all Provincial and local vehicle taxes, and to promote such legislation as may be necessary to this end, all motor vehicles which are the property of the Central Government, other than motor vehicles used commercially.

(vii) In consideration of the relief afforded in respect of National Highways, Provincial Governments in applying other resources available to them for post-war development, including general Central subventions, will attach particular importance to the improvement of district and village roads.

NOTE :—It is of course understood that before reaching decisions on any of the points in the foregoing conditions upon which decision would rest with the Centre, the Central Government or the Central Road Board would fully consult the wishes of the Provincial Government.

7. (1) At the initiation of the Transport Advisory Council in 1935, the Council decided that its conclusions, expressed as a "Concise Statement of Policy" or more recently as a "Summary of conclusions" were, subject to formal ratification subsequently by the Central and Provincial Governments, in effect, and to be regarded as an expression of agreement on a common policy to be followed within their respective fields by the several parties thereto. The position now reached represents the result of ten years of evolution of policy, although interrupted by the war, and if agreement can be reached it will mark a definite point of departure from which the full development of road and rail transport can go forward untrammelled by the apprehensions, difficulties and disputes of the past regarding the possible development of uneconomic competition. The Central Government feel, for their part, and they believe that Provincial Governments will be of the same opinion, that it is desirable that the terms of the policy now adopted should be stated and put on record in a precise and complete form. Moreover, as the Council recognised at its last meeting, the possibility of differences of opinion in the interpretation of policy cannot be excluded and provision must be made for their resolution. The method proposed in the "Code" in respect of differences in the field of road and rail co-ordination—which could if necessary be extended to differences upon matters in connection with traffic on National Highways—is that of an Arbitration Board. It is necessary to be clear as to the intended functions of such a body. It will not be a standing body and would not be expected, even if it were, to evolve a co-ordination policy of its own, from first principles. The policy-forming body is the Transport Advisory Council. The function of the arbitration authority would be to resolve the matter in dispute by reference to the agreed policy. For these several reasons the Central Government propose that the conclusions reached at the next meeting of the Transport Advisory Council should be expressed in the form of a self-contained agreement between the Centre and the Provinces which would stand until amended by the Council.

(2) It is recognised that the present constitutional juncture is, unfortunately, ill-suited to the contracting of a firm agreement of this nature, and that neither the Central nor the Provincial Governments can bind their possible successors. That is unavoidable. It appears however that the issues cannot be shelved since early commencement of construction on certain sections of the proposed National Highways may be necessary in connection with the problems of the immediate post-war period. All that is possible therefore is that the respective Governments should leave for their successors a clearly defined position on the basis of which developments can go forward.

DRAFT CODE OF PRINCIPLE AND PRACTICE IN THE REGULATION OF MOTOR TRANSPORT.

EXPLANATORY NOTE

Origin of Draft Code.

1. This draft has been prepared in pursuance of the conclusions reached by the Transport Advisory Council at its 7th meeting. The following extracts from the summary of conclusions of the Council are quoted for ready reference :—

A—ROAD DEVELOPMENT

2. (3) *As regards control by the Centre of traffic on National Highways, the majority agree to this in respect of inter-Provincial traffic, subject to clearer definition of what is meant by residual power to the Centre. They do not agree to cede control over intra-provincial traffic on National Highways. One Province is prepared to consider control over traffic on National Highways being directed in accordance with policy mutually agreed between the Centre and the Province concerned, points of disagreement being referred to impartial arbitration. The Central Government will address Provinces again on the matter and will also have to reconsider their whole position in respect of the road plan.*

B—ROAD TRANSPORT AND ROAD AND RAIL COORDINATION

1. Road Rail Coordination—General

(a) *It is the unanimous opinion of the Council that coordination of road and rail transport is essential in the public interest.*

(b) *Provinces should agree to regulate motor transport generally in accordance with a Code of Principle and Practice to be drawn up by the Centre with the agreement of Provincial Governments, subject to minor modifications to suit local conditions. The Central Government undertook to draft this Code and to address Provincial Governments again on this matter but pointed out that the Centre must be satisfied regarding the efficacy of the code and of the machinery to enforce it before they could agree to the provision of Central finance for road development.*

3. Motor Transport for the carriage of goods

(a) *The use of motor transport for relatively short hauls for the carriage of goods should be encouraged.*

(b) *Subject to special consideration of perishable and fragile goods, the criterion for the carriage of goods by road over long distances between points served by railway should be the public need and economic benefit. With the relaxation of the present war traffic, control of goods traffic by road must be instituted on the basis of expert judgment and scientific zoning. While the majority accept this as a principle to be incorporated in the proposed Code, they wish to make the reservation that the expert authority should be the Provincial Authority.*

4. Control of Motor Transport

(a) *Provincial Governments should appoint whole-time Provincial Transport Commissioners who would be the Chairman of the Provincial Transport Authority and also head of a self-contained Transport Department out-side the main provincial*

Secretariat. Bombay and Assam dissent. Certain of the smaller provinces have not the transport or traffic to justify whole-time appointments.

(b) *The majority agree that it is desirable that the Provincial Transport Commissioner and the Chairmen of the Regional Transport Authorities should sit singly when dealing with permits for goods vehicles, the Transport Authorities as constituted under the Motor Vehicle Act, 1939, continuing to deal with permits for public service vehicles. Four Provinces were opposed, two on the grounds that the need for differentiation in the administration of the Act between goods and passenger transport was not clear ; and the two who dissented from the former conclusion.*

(c) *The Majority of the Council recognized that differences and disputes, as to rating and other matters must inevitably arise between the various parties controlling, providing and using transport, and that under the Constitution as it stands no specific provision exists for the resolution of such differences when Centrally controlled railways and Provincially controlled motor transport are both concerned. They recognize the need for the creation of some independent authority or tribunal, the nature, functions and constitutional means of creating which should be further explored by the Centre in correspondence with Provinces.*

(d) *While opinion was divided on the desirability of including representation of transport interests in Provincial Transport Authorities—either whole-time or in respect of general policy discussions only—the Council generally favours the continuance or creation of advisory bodies on which the interests affected should be represented.*

METHOD OF APPROACH

2. (1) The Council has left it to the Centre to draw up the Code in agreement with the Provinces. This paper is put forward as the basis for discussion in the Council. Clearly there are different points of view to be reconciled, and inevitably this paper is written from that of the Central Government which, in addition to providing the Secretariat of the Council, has by far the largest stake in and responsibility for land transport taken as a whole. It is a fact that railways are the predominant factor in land transport and it is also a fact that they are the Achilles heel of Central finances. The Central Government's case is that without agreed and effective co-ordination there must, in a greater or less degree which no one can foresee, be wasteful duplication and competition, from which all will suffer ; and there must also follow adverse effects on Central finances and hence on the ability of the Central Government to give money for post-war developments in the Provincial field. These facts handicap the Central Government in presenting a case, since they may to some give the impression that the Centre is seeking to dictate terms under the threat of financial reprisals ; whereas the dictation, if any, is that of the cold logic of facts as they appear now.

(2) The proposals in this paper are intended to be of temporary and transitional application, and they should be read in that light. India, pre-war, had undoubtedly great benefit from motor transport but also the beginnings of serious duplication and wasteful competition. The very great increase in all traffic due to the war has for the time obliterated that aspect, but as soon as the demand for transport falls below the combined rail and road capacity those conditions will return, unless they are regulated, and in a greatly aggravated form because of the rapid development of roads to which we look forward and the greater potential development of motor transport which is apparent. Railways being nationally owned and managed, are already under public control. It follows that the regulation necessary to effective coordination must, to outward appearance, be predominantly that of the control and even some restriction, of motor transport ; while its healthy development in fields outside that of duplication of railways will not be debated or attract like attention. Thus this statement of the case on which the Central Government bases the specific proposals in the draft Code may invite the criticism of lack of balance and of springing from the very narrow vision that cannot see beyond the need to restrict motor transport in the interests of the railways. The limitation of this note to the narrow issue of road and rail relations is however deliberate and in accordance with the mandate of the Council. It is unnecessary to wander into the fields of other uses of motor transport in which

the interests of the Centre and the Provinces are one, and to which Provincial Governments are fully alive.

(3) While there is little or no difference on the proposition that *real* and effective road rail coordination is needed, or on the corollary that it must of necessity be most evident in the control of motor transport, there is room for, and there probably is, wide difference as to the extent of control, or, in fact, of restriction of the uses of motor transport in competition with railways that is called for. To borrow a metaphor, the differences will be as to the extent and as to the rate at which the flood gates should be opened. It is not part of the case put forward in this paper that, for example, the specific proposals for restriction of the range of goods motor transport between points served by railway are sacrosanct or that they are the product of superior wisdom. The case is that none of us know what will be the balance at any particular future time between the total demand for transport and the total capacity of the several means; nor, to come down to detail, what will, in its widest sense, be the relative economic function of road and rail for different classes of goods over different distances. Policy and practice must be evolved to suit the economic conditions of the times. But in practice that evolution must start from certain data lines and these are proposed in the Code, as a reasonable compromise in the present state of our knowledge and ability to foresee. If, to some, the specific proposals appear to be unduly restrictive the answer is, to return to the metaphor, that it is at any time more easy to open the flood gates a little more widely, than it is to close them by a small fraction when they have been opened too far; or, in practical terms, that it is better not to allow people to invest their money in certain uses of motor transport unless we are certain that those uses will be in the general public interest. The adoption by the Council of this Code outside the Statute Book will afford elasticity for necessary and quick amendment in the light of experience, and it is hoped that this fact and this explanation will facilitate general acceptance of these proposals as the starting point.

(4) It is important that some definite "Code" on these lines should be accepted and implemented at the earliest possible moment. In the post-war years there will be very large numbers of ex-service men trained to drive and seeking employment. There may also be large numbers of Army-surplus transport vehicles. Until the road development plan has made substantial progress in opening up the country side there will not, economically, be room for all these on the present motorable roads; but there will be great pressure to let loose these men and those vehicles to make a living as best they can. If the flood gates are opened too wide there can only be cut throat competition and financial loss to all concerned, including the ex-service men.

(5) To conclude, therefore, on the transitional aspect of these proposals, the sooner we can have agreed practical data points, and the necessary machinery of control, including Provincial Transport Commissioners with time to study the practical economic aspects, the sooner we shall be able to open up the flood gates to the fullest safe extent. In the meantime caution is necessary in fixing the starting points.

(6) India stands, we believe, at the start of a new era of great progress in which planned transport must take a great part. The proper adjustment of road and rail is essential, but the constitution places the two in different fields of administration, with no ready-made bridge between in the form of a specific constitutional means of adjustment. That position must in part at least continue to subsist, since it is not practical politics to propose either the Provincialisation of railways or the Centralisation of control of motor transport. But everything is possible by agreement, and the conclusions of the Transport Advisory Council cited above are in fact a decision to reach agreements by compromise and to implement them by convention.

NEED FOR THIS "CODE".

3. (1) It may still be asked by some why it is necessary in effect to have two Codes, one as contained in the Motor Vehicles Act and Rules thereunder and one in this form. There are also some who believe that the Motor Vehicles Act and Rules should alone suffice for all the coordination required. On the first question what has been said above on the need for an elastic Code of interpretation of the law probably suffices. But it is germane to both questions that the Motor Vehicles Act as it stands is not a coordinating Act. It is an Act regulating the use of motor vehicles, and the conduct of drivers, of all classes for all purposes. Chapter IV regulates commercial

uses and in that Chapter in one Section only (Section 43) there is mention of railways. That Section, from the elaborate procedure which it enjoins, could only be invoked on rare occasions and even then is limited in its application to two things only *viz.*, the prohibition or restriction of long distance goods transport by road, and the fixation of maximum and minimum rates of fares and freights in each case by the Provincial Government. The Act nowhere contains any provision for the resolution of road rail disputes by reference to arbitration or to a joint advisory Council and in its specific provisions precludes the Transport Authorities from considering coordination aspects. For instance, in considering an application for the grant or renewal of a "stage carriage" or "public carriers" permit the Transport Authority is required to consider the adequacy of existing road (not rail) transport services, and to hear representations from other providers of road transport between the places involved. They cannot lawfully take into consideration either the adequacy of the rail services, or any representation from the railways.

(2) The proposals for the amendment of the Motor Vehicles Act on which Provincial Governments have been consulted include one for the insertion in the operative sections of provisions requiring the Transport Authorities to have regard to the adequacy of railway services and to hear the local representatives of railway administrations before deciding to grant or refuse a permit relating to a stage carriage or a public carrier. But the question of what is or is not "adequate" in this connection is not one which is susceptible of precise statutory definition. It is in fact a question of what is or is not adequate not only in relation to the public need and convenience of the locality, but also in relation to the more general questions of the wealth of the country and its ability to afford duplication of transport facilities. It will, in short, always be to some extent a matter of opinion on a question of far reaching importance in which it is necessary that agreement be reached, and that an agreed policy be evolved at the highest level—that is between the Provincial and Central Governments. This "Code" is intended to express that agreement in principle and in respect of immediate practical applications. In order to render it effective, the proposals for the amendment of the Motor Vehicles Act include one for the insertion of provisions empowering Provincial Governments to implement the agreement by giving effective directions to the Transport Authorities in pursuance of its provisions as amended from time to time.

(3) In all circumstances this arrangement appears to be the most practicable if not the only one available for the effective application of a common transport policy.

GENERAL CONSIDERATIONS

4. (1) At the risk of being tedious and labouring the obvious, it is necessary to the case to review briefly certain general considerations. Where waterways or coast-wise shipping did not affect them, railways have had a virtual monopoly for 100 years or less. This is held by many to have been an evil thing leading to exploitation and indifference to public need and convenience. Consequently competition by motor transport is hailed as a good thing, good for the railways and for everybody, and the proposed reversion to monopolies in joint road-rail Companies is deplored and decried. There is no question that competition is, within reason, good for transport as for everyone; but what is questionable is the theory that the only effective incentive to healthy competition is that of private gain at the expense of a financial rival, and the limited experience so far of joint road and rail monopolies does not support the theoretical objections to them in India. Road and rail passenger alternative facilities in Britain both improved, it is believed, after the railways had by negotiation obtained a substantial share in the capital of the inter-urban bus Companies. Both parties were thereafter able to devote to the improvement of their services the thought and energies previously devoted to mutual competition. The London Passenger Transport Board has a complete monopoly of bus, tram and urban railways, and a close working agreement with the main line railways in respect of sub-urban traffic; and it gives excellent service. Here in India, the bus and tramway monopoly of the B. E. S. T. Company in Bombay gives that city a better service, it will be generally admitted, than that of any other city in the country. There does not therefore appear to be any radical defect in the monopoly principle as applied to passenger transport.

(2) Still, it may be argued that the conditions of specialised urban passenger transport are not generally applicable to mofussil and inter urban transport in

India ; that railways are indifferent to public needs, and that the proper solution lies in "fair" competition. Nationalisation of railways has its disadvantages as well as its advantages and among the disadvantages may be reckoned a tendency to complacency and indifference in the personnel, born of the extreme security of tenure, which is less remarkable in Company management where discipline is more summary and promotion more elastic. Granted that there is this possibility of weakness in State ownership and management, the cure surely lies in educating the personnel rather than in turning loose private enterprise to compete with the State railways for the sake of competition. In any case, what is to be understood as "fair" competition ? The railways have, as one result of their monopoly, evolved a rates structure for goods which allots to each commodity a rate which its intrinsic value enables it to bear, and of which motor transport can only touch the fringe ; and, as another, have had placed upon them the obligation to carry any traffic that offers (an obligation overridden in war by special provision for priorities) without preference or favour to anyone. At the present stage of development it would not be possible to enforce any "no preference" condition in the case of motor transport, while to impose upon it the obligation to carry all the traffic that offers would clearly be devoid of practical meaning. If "fair" competition implies parity of obligation *vis-a-vis* the public, then in these two important respects it is not attainable. All that the advocates of "fair competition" mean, probably, is that motor transport should be controlled as to safety and labour conditions to a degree comparable with the conditions applied to railways, and that it should then be free to carry what suits it and where, with, all the time, the railways in the background obliged to carry everything including its belongings. There may be the elements of conditions of fair competition for passengers, but in goods transport they do not exist and cannot, it is urged, be created.

(3) As is well known railway operating costs are made up of those dependent on any particular operation and those that are independent—that is those for interest, maintenance and establishment that have to be met whether a particular line is worked to capacity or far below capacity. In a sense therefore every passenger and every consignment of goods, by covering a small part of the independent costs, subsidises other passengers and goods ; and greater volumes of traffic can be dealt with at lower unit cost. Ultimately, and particularly with nationalised railways, surplus revenues can be returned to the public in the form of reduced freight rates and fares. The whole mechanism of railway charges is delicately balanced and the abnormal traffic and profits in war should not be allowed to disguise that fact. All economic development in the coming time of expansion depends largely upon the preservation of that balance and of the solvency of railways. That these will be disturbed by the expected, and welcome, developments of motor transport is inevitable. The object of the proposals in this paper is that that disturbance should be kept within reasonable limits by some fusion of financial interest, coupled with the imposition and maintenance of controls which can be tempered with acquired knowledge of their effects and repercussions ; and be not, in the present uncertainty as to the future, waived or relaxed somewhat blindly. This then, in brief is the case of the Central Government. "Let us together go forward with planned co-ordinated development of all transport to the greatest possible beneficial use of motor transport. To this end it is necessary first to establish effective control on a perhaps somewhat arbitrary basis ; and, having established it, to amend what from time to time we find to be wrong".

5. *Passenger Traffic*.—(1) In the provision of public passenger transport, by any means, the convenience of the public is of primary importance and the economic aspects of road rail co-ordination of general rather than specific application to any individual case. The Central Government have therefore not proposed in this case that there should be any alteration in the composite official and non-official Transport Authorities. That view is, it is believed, generally accepted although questioned by one or two Provinces.

(2) But whatever the nature of the Authorities, they are likely to hold, and the Central Government themselves hold, that the interests of the public generally will require a large development of the quality and quantity of passenger bus facilities on routes parallel with railways, and more particularly within relatively short distances. With the gradual return of more normal conditions post-war, railways will it is believed have ample capacity first possibly for all the goods and later for all the passengers that offer. Before motor transport had become substantial, third class

passenger earnings were an important part of railway revenues : in the year 1930-31 they represented 88 per cent. of total passenger earnings and 32 per cent. of the gross earnings of Class I. Railways. In the same year the 3rd class passenger earnings in the zone 0-50 miles amounted to about 38 per cent. of all third class passenger earnings, and thus to a little over 12 per cent. of the gross earnings. It is not suggested that all the third class passenger traffic in this zone will in future leave the rail for the road, but there will also be a considerable switch over for longer distances. It is unnecessary to emphasise further that the great future development of road passenger services which is looked for, will have an effect on the balance of railway finances which no one can afford to ignore. It is partly to mitigate this effect, and partly because discussion round the Board Table is more likely to provide effective co-ordination than externally imposed control on possibly bitter rivals, that the Central Government is for its part actively engaged in promoting the participation of railways in joint road rail Companies. It is for this reason, too, that it is proposed in the Code that in considering permits for the operation of bus services between points more than 50 miles apart which are connected by railway the authority concerned should specifically consider whether the advantage over the service that is or could be provided by rail does in fact justify the running of a bus service or of a frequent bus service.

(3) Reference may here be made to other possible means of coordination, i.e., by working agreements between railways and road Companies. Such agreements will be sought wherever there are substantial concerns with whom they can properly be made and they will not be restricted to cases of competition, but may well extend to through booking to and from places off the railway. But where there is direct competition with financial rivalry, a prominent if not the main feature of these agreements must be the maintenance of fares at or above an agreed minimum. Besides tending, because of practical difficulties, to deprive the public of the benefit of reasonable concession and "off peak" fares, such agreements may easily become vicious. It is clear, from what has been said about dependent and independent costs, that in any particular case a railway can, under stress of competition, carry passengers without actual loss for a fare substantially below the average fare necessary in order that passenger earnings may make a fair contribution to the total. Therefore in an extreme case an agreement on minimum fares would come very near to the Government railway subsidising the duplicating motor service out of the pockets of the traveller by keeping up fares. Sooner or later, moreover, the natural development of these purely financial agreements is a fusion of financial interest, and it is the policy of the Central Government to go straight to that development wherever possible. In the case of these road rail Companies competition for gain will then, it is hoped, be tempered if not wholly replaced by competition on the basis of service.

(4) It is arguable that joint road rail monopolies could be just as vicious in effect as agreements between rivals to exploit the public. But if nationalisation means anything it does not mean exploitation and the participation of Government railways is in itself a guard against that. Nevertheless, safeguards giving the Provincial Transport Authorities adequate control are accepted as necessary. It has already, as an amendment of the Motor Vehicles Act, been proposed that there should be provision for specific fares (and not merely wide maxima and minima) to be fixed by the transport authorities and for the permit to be drawn on the lines of a licence or a civil agreement specifying the obligation of the Company and providing for severe penalties for any breach. Failing these remedies, the transport authority will be able at any time to break the monopoly by granting additional permits. In this connection some critics alleged that the official Chairman and Members of the Transport Authorities will be prejudiced in the exercise of their free judgment in the case of tripartite Companies in which the Provincial Government holds a substantial share. This criticism is equally applicable to all cases where a Provincial Government engages in a public utility which is under statutory control, and there is every reason to hope that in this case the Companies will be efficiently managed; and no particular reason for presuming that should the reverse unfortunately prove to be the case, the Transport Authority would hesitate to take the necessary action. Ultimately the development will possibly be the conversion of these joint concerns into public utility corporations with limited profits and free from internal governmental interference and from direct governmental interest in their profits. This is very near nationalisation, but the time is not yet. The personnel has yet to be trained.

6. *Goods Traffic.*—(1) In this case the question of public convenience is of secondary importance to the essential of overall efficiency and economy in the transport of the raw materials and products of agriculture and industry, or, to put it differently, the two things are the same since, quality being equal, the public measure of convenience is cost. Hence unless the quality is affected, as it may be with fruit or other perishables, the only criterion is cost including of course cost of packing and of loss through breakages. The Technical Committee on page 12 of their report drew attention to certain figures showing that, while the fare per "passenger kilometre" on Indian Railways is the lowest of any country in the World, except Japan, and is less than half of that of North American railways, the average freight per "ton-Kilometre" over all goods exceeds that in the United States and Canada by 38 per cent. and in Japan by 85 per cent. It is still only a little more than half that in the principal countries of Europe. The comparison in these figures between Indian and North American goods freights has been used to allege that Indian railways are inefficient. Without examining the relative volumes in the different countries of goods and coaching traffic, of which figures are not readily available, it is not possible to obtain the complete picture. It may well be that the higher freights in India as compared with North America represent no more than reasonable balancing of the relatively low passenger fares.

(2) Be that as it may, the fact is that Indian freight rates are somewhat higher than those in North America, although lower than those in Europe. There can be no question of the necessity that they should be kept as low as possible. Unfortunately however with the rise in cost of labour and materials there is little prospect of any general reduction being possible in the early future, while the prospective further losses of passenger traffic, however mitigated as proposed above, must be expected to disturb the balance and have an adverse effect on goods rates. The target of co-ordination in this field therefore must be mainly if not solely that of maximum overall economy of both means involving careful and expert study of the factors of each case. It is for this reason that it was proposed, and was accepted by a majority on the Transport Advisory Council, that goods permit cases should be dealt with, as in Britain, by the appropriate officers sitting singly, and able to give careful and prolonged hearing to the arguments on both sides.

(3) The services which motor transport can give in the carriage of goods, particularly over short distances, are great. Up to the war the condition of all but the main roads and hence the types of vehicles used did not enable it to develop its full potential utility. With the better roads of the future carrying heavier vehicles, possibly with diesel engines, the cost per ton mile will fall. If the development is carefully and effectively regulated this will be a great economic benefit to the country. But if road transport is allowed to be used unduly in duplicating railways, on no stronger ground than that for particular commodities it is cheaper to the consignor, while railways staff and rolling stock are to that extent idle, then the result may be seriously detrimental to railway economy and hence to the community whether as rail transport users or as the taxpayers upon whose shoulders insolvent railways would have to be carried.

(4) As an illustration a few figures are cited below. A lead of 500 miles is taken although much coal, for instance, is carried longer distances. The present cost of transport by road is not probably not much less than two annas a ton mile (the maximum controlled rate, for all but local "short-haul", sought to be enforced in most Provinces during the war is 1.67 pie per maund per mile or 2.75 annas per ton mile); but with future developments in vehicle efficiency and capacity (and of course with full return loads) a rate of one anna per ton mile might be possible.

CHARGE IN RUPEES for CARRIAGE OF ONE TON 500 MILES

Commodity and average rail freight in pies per ton mile pre-war		Railway freight at average charges,	Road Motor Transport freight	
			At 2 annas per ton mile	At 1 anna per ton mile
	Rs.	Rs.	Rs.	Rs.
1. Coal	2.81	7.32	} 62.50	} 31.25
2. Grains, Seeds and pulses	7.57	19.32		
3. Cotton, raw, pressed .	15.73	41.00		
4. Hardware	19.90	51.80		
5. Matches	25.50	66.4		

It is axiomatic that, by eliminating double handling and the cost of terminal transport, *i.e.*, by door to door business, motor transport is more efficient and economical than rail transport for many classes of goods for "short" distances. It is accepted that, for example, in the saving of packing, it may be more economical than rail over "medium" distances; and it is accepted also that in the case of perishable goods for which the railways have not provided special types of vehicles, it may be more economical than rail over "long" distances, if the goods arrive by road in better condition. And of course the road is more "economical", in the sense that the charge is less for an individual consignment, in all cases where the railway rate exceeds the road charge. Whether or not certain goods should be carried by road or by rail (or by water) where the alternatives exist, and over what distances, is however a question of overall transport efficiency and economy to the community. It is not claimed that at one extreme, avoidance of all duplication is the sole measure of overall economy, any more than it can be conceded that, at the other, the sole measure is the cost to the individual trader of a single operation. But it is a prime consideration that there should be overall economy and that the cost to the community of what is sent by rail should not be needlessly inflated because of the transfer to the roads of traffic which it suits individual traders to move by road and which is profitable also to the operators. In short, particularly in this matter of goods traffic, the interests of the individual trader and individual operator should be subordinated to those of the community. There is a somewhat vocal body of opinion in Britain which has found echo in India, which demands that the individual trader should at all times be free to choose the means of transport best suited to his pocket and to any particular consignment. This theory, which is in danger of becoming a catch phrase used without discrimination, originated it is believed with the thesis put forward by a noted authority on the subject that the ideal to be aimed at was the establishment of such a perfect system of co-ordination as to render that free choice possible—a very different matter. If all means of transport had unitary control and a common financial pool it would be possible to evolve rates structures for all classes of goods by each of the different means in such a way that the trader would be free to choose, at the rates offering. But, short of such monopolistic pooling, the theory seems to be little more than the flat negation of co-ordination. Clearly while the providers of the two or three independent means of transport must constantly study to adjust their rates so as to balance their costs by their receipts, it is the community as a whole that supports and pays for all of the different means. Again, as already stated, every consignment of goods by rail in a sense subsidises every other consignment. Looking in this light at the figures quoted above (in this sub-para.), it may reasonably be asked whether, say, an individual millowner can reasonably accept to import his raw cotton by road at some personal profit, and at the same time expect the community to subsidise the delivery of coal to him at the special low rate that obtains; or whether, if all or practically all raw cotton moved to cotton mills by road, resulting in a necessary increase in the freight on coal or on the foodstuffs consumed by the mill-hands, any one would be any the better. Probably not, but clearly the matter must be decided by a competent authority on behalf of the community and not by the individual trader looking only to his personal profit. It cannot be too often repeated that there is and can be no natural means of coordination between the two systems having a fundamentally different system of charge; one based on "what the traffic will bear"—that is more or less *ad valorem* and economically rational—and the other based more or less on the cost of each individual operation. The fundamental difference might be removed by the creation of a State monopoly of all forms of transport as mentioned above, but that is beyond the sphere of practical politics at present. In the absence therefore of natural means of coordination which might leave the individual trader free to choose, his choice must be regulated. The most practicable means of regulation at the present stage seems to lie in applying expert judgment, through a first class Authority in each Province, to the interpretation of such policy and practice directives as are from time to time evolved in the Transport Advisory Council by agreement between the Central and the Provincial Governments, and subject, eventually, to decisions on arbitration by an accepted tribunal, directives, for example as to the meaning of "short", "medium" and "long" distance in relation to transport by road of different classes of goods. Such a first directive is now proposed in the draft Code in rather general terms and on the best appreciation possible of the foreseeable overall

transport position in the years after the war. As already emphasised, the Central Government at this stage ask for caution. In any case, against the background of generally accepted policy as set out in the Code to be adopted, the transport authorities will have to exercise wide discretion, and will have great responsibilities.

(5) Some of the smaller Provinces stated at the last meeting of the Transport Advisory Council that the volume of transport in the Province and the resources of the Province neither justified nor permitted the appointment of whole-time transport officers. This may well be the case; but it is suggested that, even in those Provinces, the prospects should be carefully studied and that the criterion should not be that the volume of work must be such that the officers have no leisure to study and think. They will have to discharge certain quasi-judicial functions and should have time to study the subjects entrusted to them. There will moreover be a very great expansion of motor transport after the war; and its administration has not always, in the past, been adequate. There are the immediate problems of employing the *ex-service* man, and placing the surplus vehicles, without flooding the roads with superfluous transport and letting loose anarchy; and it seems probable that, during the coming transition at least, there will, even in the smaller Provinces, be much to be done, and that a part-time officer will not be able to do it.

(6) It is necessary here to indicate briefly the "mechanics" of regulation of goods motor transport that is contemplated, as the background to the proposals for control. Public carriers had not generally before the war, and may not for some time, fall into regular services on definite routes in the same way as passenger services—nor is it apparently necessary in the evolutionary stage that they should. The owner of a lorry or of a fleet may therefore hold a permit to operate on several routes or within a segment of area based on a certain town. But, except as it may become necessary to protect purely local operators from undue seasonal competition, it would seem to be unnecessary and a waste of transport capacity to prevent the general fleet owner from taking up miscellaneous local traffic offering within the urban and suburban area.

It is proposed therefore that as the general rule all public carrier permits should include a "free" or unrestricted zone of reasonable size at the home terminal, and possibly at other towns to which the permit extends. At the other end of the scale it seems to be necessary for effective control that permits for distances exceeding say 50 miles should be restricted to a specified route or routes for which specific justification has been shown and accepted. For the intermediate type of permit, it was suggested in the brief Memo. to the T. A. C. at its last meeting on item 3(a) in Part B of the Agenda, that it will not be necessary to impose any restrictions on goods transport up to 50 miles. This does not mean that there should be no limitation of numbers, or that every public carrier should be given a permit covering an area of approximately 50 miles radius round his base town—an area of over 7,500 square miles. Quite apart from the road rail aspect, permits must be limited in some measure by the demand for transport, for which purpose Sections 55 and 56 of the Act require the transport authority to hear representations and to limit numbers—an almost impossible matter on large area basis. A 50 mile radius, too, would invite ingenious people to put forward "freak" headquarters to give them a main route range of 100 miles. Nor can 50 mile permits normally be restricted to a route or routes—the more that motor transport gets off the main roads into small towns and villages in the service of the rural population, the better. The 50 mile (approximately) permit should, therefore, it is suggested be by rough quadrants or lesser segments of area based on traffic centres. These are matters for the Provincial Transport Commissioners to study, since they have not, it is believed, been studied very fully in the past. The arrangement contemplated is therefore that, in the case of public carriers permits—

(a) every permit may include a small "free zone" approximating to the local urban and suburban traffic area and of a rough radius varying from two or three miles in the case of small towns, up to 15 miles in that of the larger cities.

(b) a short distance permit would be granted for all the routes within a defined segment of 50 miles radius of the centre of the base town. Generally the segment would not be wider than a quadrant;

(c) a permit for distances exceeding 50 miles would be in respect of a main route or routes only and specified branch routes leading off it or them. According to the needs of the case, and particularly until public carrier business stabilises, it may often be necessary to vehicle economy that a long distance route permit should also authorise use not only in a free zone but also over a 50 miles segment. The 50 mile figure is of course only an approximate one. There seems also to be a strong case during the stabilizing period for granting permits for shorter periods than three years or for granting them on the explicit understanding that the conditions may be varied at any time.

(7) The problems will clearly be difficult but have to be faced and solved if public carriers business is to be reasonably stabilised and acute and wasteful competition both internally between the carriers and with railways is to be avoided.

(8) (a) The specific proposals to the Transport Advisory Council for regulation of goods transport by road, during the transitional period, for road rail co-ordination are therefore as follows :—

(b) *Definitions.*—(i) The expression “between places connected by rail” means between places connected by a railway route not exceeding $1\frac{1}{2}$ times the length of the road route where there is no break of railway gauge, and not exceeding the length of the road route where there is a break of railway gauge.

(ii) The expression “economic justification” means that there is substantial economy of time and cost, including cost of packing and terminal transport, to the prospective consignors or consignees (and not merely profit to the carrier) in the moving of goods by road instead of by rail at the rates specified by the applicant carrier : that the rates are reasonable ; and that the economy to the prospective consignee is likely in the long run to benefit the consumer.

(iii) The expression “strong justification” means that after carefully weighing the loss of business to the railways, and the repercussions on railway finances if the cases in question were multiplied, against the cost and other advantages of carriage by road of the perishable or other special commodities the authority concerned is satisfied that there will be overall economic advantage to the community.

(c) The Central Government would propose therefore that in granting public carrier permits for routes between places connected by rail the transport authority concerned should, after hearing the parties interested including the railway administration concerned and the traders for whom the carrier is providing or proposes to provide transport,

(i) be satisfied that there is justification for the grant or renewal of a permit for a distance exceeding 50 miles but not exceeding 100 miles ;

(ii) be satisfied that there is strong justification for a permit exceeding 100 but not exceeding 200 miles ; and

(iii) grant or renew a permit for a distance exceeding 200 miles only in exceptional cases.

Certain subsidiary explanations are given in the text of the draft Code.

(d) In order to save time and so that the Railway administration or administrations concerned may be prepared by the date of hearing to make a considered representation, the applicant for a public carrier's permit valid for a distance exceeding 100 miles between places connected by railway should at the time of making the application send a copy thereof to the Railway administration or administrations concerned and the Transport Authority should at the time of hearing the application satisfy itself that this requirement has been satisfied.

7. *Private Carriers.*—(1) The British Law recognises three classes of carriers (Section 2 Road Rail Traffic Act 1933)—

(a) Public Carrier “A” Licence

(b) Limited Carrier “B” Licence

(c) Private Carrier “C” Licence.—Current for 3 years without renewal.

} Current for 2 years without renewal.

An “A” Licence holder is not allowed to engage his vehicles in any other busin save public carriage for hire or reward. He may not carry his own goods save

necessary for the purposes of running his vehicles. His licence is by law without restriction of route or range but he is in practice more or less restricted to the routes he operated prior to the passage of the 1933 Act. The Act came into force when the public carriers business was already saturated; renewal of "A" Licence is sometimes refused for malpractices; and it is believed that new "A" licences are rarely if ever granted. Stabilisation of routes is thus attained because of the previous regular connections of the carriers with regular clients and the difficulty of "poaching" on another hauliers' business without rate cutting which involves risk of loss of licence at time of renewal. It is believed that "A" licences were in 1938 only about 20 per cent of total goods licences.

A "B" licence is granted for part "private" carriage and part public carriage and is subject to restrictions as to routes or areas and as to the goods which may be carried for hire or reward.

A "C" licence is a private carrier's licence and the holder may not carry for hire or reward. It is unrestricted as to range provided always that the holder does not use the vehicle for public carriage.

(2) So long as there is no differentiation in taxation, as there is not, it does not appear to be necessary, and it is not proposed, in India to depart from the two classes of public and private carrier respectively provided for in the Motor Vehicles Act.

(3) It is generally accepted that the option to buy and run his own vehicles for the purposes of his business is a traders' protection against overcharge by public carriers, rail, road or other, and a right which should not lightly be interfered with. At the same time, on the basis that all public transport is in the long run paid for by the community, it can be argued that the private carrier who is so placed as to be able to save money by using his own transport for the goods which are more highly charged for by rail, and still uses the railway for his lower goods, is obtaining private advantage at the cost ultimately of the community. As a counterbalance to the preferential position the British Road and Rail Traffic Act 1933 (Section 37) so far sets aside the previous embargo on preferences of any kind as to empower railways, with the approval of the Railway Rates Tribunal, to make "agreed charges" with any traders. The purpose is to allow railways to make bargains with traders on the basis of the trader sending all his goods of certain kinds by rail. There is no such provision in the Indian law, nor for the present is any such departure proposed from the existing provisions of the Indian Railways Act (Section 42-A) prohibiting the giving of any unreasonable or undue preference.

(4) Sections 52 and 53 of the Motor Vehicles Act merely require the transport authority to be satisfied as to the *bona fides* of the application, and do not give any other party the right to be heard. It is proposed that these Sections should stand as they are but it is hoped that the preferential position in which private carrying places certain traders will be borne in mind and that there will be vigilance to prevent abuses. To this end Transport Authorities should, save in exceptional cases, specify in the permit the description of the goods to be carried and the area of validity. The provision in Section 53(2) of the Motor Vehicles Act is permissive.

SPECIAL PROVISIONS IN RESPECT OF NATIONAL HIGHWAYS.

8. (1) The general conditions which the Central Government are asking Provincial Governments to accept in relation to National Highways are being separately communicated in a letter dealing comprehensively with that scheme.

(2) The proposal discussed in this paper relates solely to the control of motor transport on those Highways. As put to the Transport Advisory Council at its last meeting somewhat bluntly perhaps, it was that the Centre should be conceded "residual" power of control. Subject to clearer definition of the meaning of residual power, the majority accepted this inter-Provincially but not intra-Provincially. The Central Government, having mainly in view their apprehensions regarding long distance goods traffic by road, still feel that the incidence of Provincial boundaries is adventitious and immaterial to the issue. They hope that, in the general scheme of co-ordination and adjustment to mutual points of view, it will be possible to reach agreement on this issue also. The main questions that give rise to

difficulties appear to be; what is implied; why the Central Government desire this; and how they expect it to work in practice.

(3) As to the implication, the expression "residual power" was possibly a little sweeping, but it would be of little practical value to evolve a verbal formula upon which agreement could be reached only to find that it was open to as many differences as before in interpretation. What the Central Government is impelled to ask for is an effective voice in the control of commercial uses of motor vehicles on National Highways. That there will, during the coming transitional period, be differences of opinion as to the interpretation of the law and of this Code is only to be expected; and that there will be need for some impartial and independent tribunal to arbitrate, is gaining acceptance. In general the appeal to arbitration will be that of the Central Government, or of an Indian Government Railway administration, against the ruling of a Transport Authority in the Province. In the case of National Highways the effect of the arrangement proposed would be to reverse the position so that the appeal would be against the decision of the Central Government. In sub-para. (5) below dealing with the mechanics of the arrangement it is hoped to show that undue practical difficulty or unpleasantness should not arise.

(4) (a) The next question is why the Central Government press for this arrangement. The reasons are these. Despite the plans for co-ordination, future developments of passenger traffic by road are expected to have an adverse effect on railway revenues. This position is accepted, but the Central Government are naturally the more anxious on the score of goods traffic. Here again the proposals that there should be no restriction of goods transport "in the interest of railways" up to 50 miles and only mild restriction up to 100 miles, coupled with full freedom for *bona fide* private carriers, will make possible serious inroads into the cream of railway goods earnings over relatively short distances. For balance and to check further and uneconomic and undesirable cream-skimming it is necessary that there should be vigilant and well informed control over long distance goods transport by road. The use of the expression "well informed" is no disparagement of the Provincial Commissioners to be. The point is that, in this case, there is genuine need to protect railways and that for the administration of this particular control it is necessary that the authority should have before it and keep constantly in mind the complete picture of the progressive development of road and rail traffic and of the position of railway revenues. If, generally, railway finances are well maintained and appear likely to continue so, then a more liberal attitude can be taken towards long distance road transport, and conversely. Such an overall or "birds-eye" watch over the position can be made by an authority with the Central Government. With their many other preoccupations the Provincial Transport Commissioners cannot be expected to do so, and may find it difficult to adjudicate between conflicting arguments on the point.

(b) It has been argued to opposition to this proposal that the fears of the Central Government in this matter are exaggerated and that there is no reason to believe that, when railways regain a position in which they can carry all the goods that offer, long distance road transport will attain serious dimensions. Examples of long distance road transport offered pre-war are quoted in para. 14(3) of the report of the Technical Sub-Committee. To some extent it is believed to have been clandestine and despite paper controls. But it was there—and is still, it is believed, continuing to a substantial extent. The view of the Central Government is that it is necessary to be prepared for and to forestall a very considerable expansion of this traffic after the war; or to reduce it; but that if their fears prove to be without foundation then their voice in control will be largely silent and innocuous.

(c) There is also the argument in objection that *intra-Provincial* matters should not be interfered with and that in any case the proposal is illogical, since for every National Highway on which the Centre proposes to control long distance traffic there will be several Provincial Highways on which such transport is equally possible but on which control is to be left to the Provincial Authority. On the first point the answer is that this is solely a question of distance quite unaffected by the interposition of Provincial borders. It would for example be possible in Madras for goods to be carried by a National Highway from say Madura to Vizagapatam a distance of 900 miles, while, at the

other extreme, the journey from Delhi to Meerut would be only 40 miles in two Provinces, while from Delhi to Jhansi, for example, a distance of 265 miles, the road crosses six Provincial or State boundaries. In this respect at least the country must, it is urged, be regarded as a unitary whole, and distance as distance.

(d) There is a school of thought entitled to respect that holds that, in the present state of development of India, long distance communications should be left to railways and to the Air and that the money that it is proposed to spend on further developing and maintaining National Highways would be better spent in improving district and village roads. The value of a road from Peshawar to Calcutta, from Benares to Cape Comorin, or from Calcutta to Bombay, is not however to be measured by its potential for through traffic between terminals but by the "infinite" facilities which it provides between any two points on it. In any case the Central Government consider and the Transport Advisory Council concurs, that on general grounds of high policy the system now delineated should be completed and be adequately maintained as, in British India, a National development which may properly be a charge on Central revenues. Although the existing roads in the system are now Provincial, many or most of them were first bridged and metalled under a unitary Government of India for all-India and strategic rather than local purposes. But in completing, improving and developing the system at great cost from Central revenues the Central Government recognise that they are deliberately further increasing the facilities for duplication of railways over long distances, and that they would be evading their moral responsibility if they failed at the same time to ensure that there should be adequate regulation of through road goods transport in relation to trunk railway goods transport. The Central Government believe that it is reasonable in all the circumstances that they should have an effective voice in the control of traffic on these Highways. As pointed out by the Hon'ble the Finance Member at the last meeting of the Transport Advisory Council (bottom page 20 proceedings), if in the field of finance of post-war development the Centre has to go beyond constitutional rigidities, it follows that some measures of Central co-ordination and control should be accepted by Provinces. This is a matter to which the Central Government must at present attach great practical importance and ask that Provinces should not adopt too rigid a position on the ground of constitutional prerogative.

(e) As to its being illogical to apply this arrangement to National and not to Provincial Highways, the best answer probably is that working compromises cannot always be impeccably logical : that the practical policy pursued by the Central Government in relation to transport on National Highways will be subject to review on arbitration as well as to challenge in the Transport Advisory Council : and that it is hoped that the policy so evolved will come to be accepted as rational and so be applied by the Provincial Authorities to like cases on Provincial Highways.

(f) The last of the three questions posed in sub-para. (2) above is how the Central Government propose that the arrangement will work. The first step proposed is that, after acceptance of this Code, an officer or officers of the Central Government will hold meetings in each Province, or regionally for contiguous Provinces, with the Provincial Transport Commissioner or Controller and representatives of the railways concerned, to review the long distance permits extant on National Highways and also the classes of goods in respect of which, on past experience and current trends, it is expected that grant or renewal of long distance permits will in future be applied for. It is hoped that agreement will be reached at those meetings in considerable detail as to the practical policy to be adopted, and that the record of those meetings will be accepted and form the basis on which future applications will be dealt with. Should unfortunately differences of opinion arise on any particular point at those meetings the Central Government would address to the Provincial Government a letter of advice on the subject which the Provincial Government would accept and pass on to the Transport Authority as the correct interpretation of the agreed policy to be observed. If the Provincial Government felt the advice to be open to objection the case could be argued at a meeting or by correspondence, and if necessary, be referred to arbitration. In the meantime however the advice of the Central Government would be accepted and implemented. These preliminary discussions would not, however, be exhaustive of all possible cases and there would also be differences in interpretation of the Code and of the detailed policy previously adopted. Section 57 of the Motor

Vehicles Act provides that application for grant [or renewal see Section 58(2)] of a public carrier's permit shall be made six weeks in advance, that it shall be published, and that representations, if any, shall be heard by the authority. In order to enable the Central Government to intervene without undue delay or disturbance of normal routine, it is suggested that all applications in respect of permits for public carriers over distances exceeding 100 miles over National Highways between points connected by railway should (as is already it is believed the case in Madras) be made to the Provincial and not to a Regional authority, and that after the present normal procedure had been followed, the Provincial Transport Authority should, upon application from a railway administration or administrations affected, reserve for reference to the Central Government any case relating to such a permit before deciding to grant or renew it. This procedure would be expeditious and the Central Government would not be called upon to intervene if the matter could be settled locally. In the case of applications for renewal there would be no objection to the issue of a temporary permit to tide over the time necessary for a reference to the Central Government.

ARBITRATION.

9. (1) The majority of the Council desire to see and consider proposals for the creation of some independent authority or tribunal for the resolution of differences [Part B, Item 4 (c). Conclusions of T. A. C. reproduced at the beginning of this note]. The Central Government welcome this proposal, but are faced with certain practical difficulties. Ultimately it may be that there will be set up in India some wholly independent body on the model of the United States Inter-State Commerce Commission. But it would first be necessary not only that such a body should have constitutional status and authority, but also that the issues laid before it should be of a juridical nature, that is that there should be some competent legislative pronouncement in terms or of policy against which the tribunal could test the issues. With the exception of Section 103, however, which could not apparently be invoked at the present juncture, the Constitution Act appears to include no provision under which such a body could be set up or under which a law of co-ordination could be enacted. As in other matters discussed in this paper, therefore, the question must be regarded as one of some transitional arrangement to be adopted by convention, this "Code", read with the Motor Vehicles Act, taking place of an enactment.

(2) The further practical difficulty is that the tribunal should presumably consist of a person or persons of standing and preferably of some experience in these matters, but that it is difficult to estimate how much it would have to do and how far it would for long periods be idle. Partly for this reason, it is believed, there was a leaning in the Council towards the creation of a strong independent "Central Road Board" which would be able to bring expert and unbiased judgment to bear on these questions and still, at other times, have much to occupy it. But, for other functions, the Board would it appears, at least at the outset, have to consist largely of persons of experience in the public administration of roads, road transport and finance; and the difficulty apprehended by the Centre has been that, to the Provincial Governments, this body might appear to be merely one composed of officials in the pay of the Central Government and possibly biased by environment. Moreover, the Road Board and the Railway Board jointly would be the day to day advisers of the Central Government in these matters and the Road Board thus not sufficiently independent in the sense contemplated.

(3) In all the circumstances it does not seem to be possible to proceed at once to the creation of any authority on the model of that which may ultimately be evolved and as an *interim* arrangement it is proposed that the tribunal might consist of three Members, one nominated by the Provincial Government concerned, one by the Central Government and the third and Chairman, either nominated by the Governor General or selected by the other two in agreement. The Provincial and Central nominees could then, if necessary, be officials closely connected with the subject. A possible choice for the Chairman would be the Provincial Transport Commissioner of another Province. It would be preferable that the tribunal should not hear, except as witnesses called by either party, the road operator, or trader, or the railway, concerned but that the cases should be put forward by the Provincial and Central Governments respectively and be argued on the main ground of interpretation of the law and of this Code. The award would be implemented by a direction from the Provincial Government to the Provincial Transport Commissioner or Authority which would be binding.

(4) As and when the business of the tribunal grew to dimensions needing a permanent body, the personnel would probably be found to suggest itself from among those who had sat as Members of the *interim* body.

CONCLUSION.

10. (1) The foregoing is the statement of the case of the Central Government in this complex and difficult matter. It is necessary to repeat that if it appears to be dictated from a narrow point of view, that appearance arises out of the necessity of confining it to the relatively narrow issues where road and rail impinge. The statement of the case and the draft Code that follow will probably be debated on two main grounds; those of policy and administrative practicability respectively. If convenient to Provinces, it is suggested that their expert representatives should meet those of the Central Government a few days before the meeting of the Transport Advisory Council to consider and make recommendations on the latter—the practical—aspects, and as far as they are competent to reach agreement on the policy aspects. Otherwise it will apparently be necessary for the Council to adjourn at some convenient time during its discussions, so that the administrative officers may consider and report on this paper and draft Code.

(2) Whichever means be adopted, it is hoped that it will result in a statement upon which unanimous agreement can be obtained. In that hope the draft Code that follows has been so expressed.

THE DRAFT CODE.

Preamble.

1. The Central and Provincial Governments through their representatives in the Transport Advisory Council, and subject to formal ratification, having regard to—

(1) Their common interest in the healthy development of all means of transport, and in particular of transport on improved district and village roads,

(2) The necessity for the future prosperity of the country of developing the uses of all forms of transport in their appropriate functions, of avoidance of wasteful duplication and hence of an effective policy of co-ordination,

(3) The requirements that the interests of individual users and providers of transport should be subordinated to the common good; and that each means should be regulated in relation to the other and to the whole in order to permit safe, adequate, economical and efficient services and foster sound economical conditions in transport including fair wages and equitable working conditions,

(4) The accepted policy of full development of public passenger services, and short-haulage of goods, by road, whether rail facilities exist or not,

(5) The facts that with unimportant exceptions railways are publicly owned and controlled; and that their control by the Central Government will be exercised in close consultation with the Provincial Governments, and so as to effect the greatest possible measure of co-ordination with other forms of transport, and to

(6) Their common expectation that the next five years will be critical in the future of land transport and their agreement that development of motor transport must be kept within the fields of planned control—

Hereby agree that in respect of road and rail co-ordination, motor transport will be controlled under the directions of Provincial Governments, and subject to the provisions of the Motor Vehicles Act and Rules thereunder as from time to time amended, in accordance with this Code of principle and practice as amended by the Council from time to time.*

Administrative Machinery and Procedure.

2. (1) Each Provincial Government will at its own cost establish and maintain the offices necessary for the effective administration and enforcement of the law as interpreted by this Code and will by the means of Advisory Committees or in other suitable ways provide for the imparting of all reasonable information to representatives of the

* It is proposed that the explanatory note with which this Code is prefaced, should subject to any observations which the Council may make be appended to all copies of the Code circulated for use.

interests affected as to the general policy of planned transport and the reasons therefor and for the ventilation of the views of users and providers of transport, equal opportunity being given to the providers of the several means of transport to state their views.

(2) In particular, each Provincial Government will create a wholetime office of Provincial Transport Commissioner, or in the case of Assam, the North-West Frontier Province, Sind and Orissa of a wholetime Deputy Provincial Transport Commissioner working under a part time Commissioner. Subject always to the general control of the Provincial Government, the Transport Commissioner will be the Chief Transport Administrative Officer in the Province, Chairman of the Provincial Transport Authority under the Motor Vehicles Act, and be competent to give such directions as may lawfully be given to the Regional Officers and Chairmen of the Regional Transport Authorities under that Act. Where there is no whole time Provincial Transport Commissioner the Deputy Transport Commissioner will be a Member and the chief executive officer of the Provincial Transport Authority.

(3) Without prejudice to the ultimate authority of the Central and the Provincial Governments respectively, the closest relations shall be maintained and direct correspondence be recognised between the Provincial Transport Commissioner and the officer so authorised by the Central Government (for the present the officer who is Chairman of the Central Road Board). The Central and Provincial Governments will issue to their respective officers such instructions as they consider necessary regarding matters upon which their orders must be obtained. Subject to such instructions the Central Government Officer shall be empowered to discuss any matters with the Provincial Transport Commissioner and to convene such general or zonal meetings of those officers as he may deem to be necessary.

Transport Advisory Council.

3. (1) The Central Government will, as far as circumstances permit, convene meetings of the Transport Advisory Council not less frequently than at dates approximately twelve months following the previous meetings. Meetings will be convened at shorter intervals if there is at any time a general wish to that effect or if the business to be transacted renders that necessary.

(2) Except on grounds of great urgency, no important issue of transport policy of general application will be decided by the Central or a Provincial Government and, in particular, no departure will be made from the provisions of this Code, without reference to a meeting of the Council.

Arbitration.

4. (1) Any dispute between Provincial Governments, or between the Central and a Provincial Government arising out of the administration of or under the Motor Vehicles Act, or out of the interpretation of this "Code", shall on the motion of either party to the dispute be referred for decision to an Arbitration Board consisting of one representative of each party and a third Member who shall be the Chairman selected jointly by the other two Members.

(2) The Arbitration Board will decide its own procedure in each case. In the event of there being more than two parties to the dispute and of the Board being equally divided on its decision the Chairman shall have a second or casting vote.

(3) Expenses of representatives and witnesses will be borne by each party. The cost and expenses of the Board will in each case be divided equally between the parties.

PASSENGER TRANSPORT

(1) Joint Companies.

5. (1) Provincial Governments and their officers will afford all reasonable assistance to railway administrations in the formation of joint road rail companies for the operation of road transport in accordance with the accepted policy of the Provincial and the Central Governments.

(2) Such joint road rail or tripartite companies will in like degree to any other road operators be subject to all of the relevant provisions of or under the Motor Vehicles Act and to the interpretation of those provisions in accordance with this Code.

(3) Subject to all reasonable prior facilities having been afforded to previous regular operators of stage carriage on the route or routes, it is the accepted policy that these joint companies should ultimately have the monopoly of passenger transport on the routes covered by their permits. This does not preclude operation by another Company of a section of any such route connecting a branch with its natural terminus.

(4) Stage carriage permits should be in a form specifying the service to be performed, and the Transport Authority which granted or renewed the permit should be empowered to levy deterrent fines on default.

(2) General.

6. (1) In considering any application for the grant or renewal of a regular stage carriage permit, the Transport Authority concerned will hear and give due weight to any representation made by any interest affected, including the railway serving the area.

(2) A railway administration will have the right at any time to make a representation to a Transport Authority regarding any temporary stage carriage or contract carriage permit granted by the Transport Authority or applied for, and the Authority will give a hearing and due consideration to any such representation.

(3) In granting or renewing a stage carriage permit for a distance exceeding 50 miles between places connected by railway, the Transport Authority should have regard to the adequacy of the service between the two places afforded by the railway, or which could be afforded by the railway running additional or faster trains, if the road service between those two points were reduced, or not increased.

(3) Fares.

7. Subject to consideration of the operation of a permit holder of less remunerative routes in conjunction with more remunerative routes, the fares charged in stage carriages on any route should be related primarily to the cost of operation on that route and not to other matters.

GOODS TRANSPORT.

8. (1) Railways (and Steamer Companies) or their accredited contractors should normally be granted permits to operate collection and delivery services within such a radius of any railway station (or Steamer Ghat) not being more than ten miles as may be considered reasonable by the Authority having regard to all the circumstances.

(2) Applications by railways, or by joint concerns in which railways have a financial share, for public carrier permits between places connected by railway or complementary to a railway shall be given equal consideration by Transport Authorities, with due regard to the need and the benefits of the co-ordination which should result, to that given to applications from other persons.

(3) A copy of every application for a public carrier's permit to be valid for a distance exceeding 100 miles between places connected by railway (whether on a National Highway or otherwise) shall be forwarded by the applicant at the time of making application to the railway administration or administrations concerned. At the time of hearing the application the Transport Authority concerned will satisfy itself that this requirement has been satisfied.

(4) (a) Every public carrier's permit should normally include authorization to carry any goods anywhere within a "free zone" conforming to the size and configuration of the local traffic area. (Note.—This might be roughly equivalent to a circle of not less than 3 miles radius from the centre of a small town, increasing to 15 miles in the case of a very large city).

(b) A public carrier's permit valid for a distance not exceeding 50 miles from the centre of the town in which the operator has his place of business should normally be expressed to include all routes lying within some conveniently defined segment of a circle of approximately 50 miles radius from that centre.

(c) A public carrier's permit valid for a distance exceeding 50 miles from that centre should normally be expressed as valid outside the "free zone", and the "segment" if any, for a specified route or routes only. "Free zones" may if necessary be added at other towns on the route or routes.

Grant or Renewal of Public Carriers' Permits.

(5) A Regional Authority should not, save in accordance with the general or specific instructions of the Provincial Transport Commissioner (or Authority), grant or renew any public carriers permit valid for a distance exceeding 50 miles between places served by railway; and should not in any case grant or renew such a permit valid for a distance exceeding 100 miles between places connected by railway, but should refer the application to the Provincial Transport Commissioner (or Authority).

(6) Subject to a hearing having been duly accorded to the interested parties, including the railway administration concerned, and to due regard having been had to the needs of the area for transport, to the interests of existing road operators and to the need for co-ordination between road and rail, the competent Transport Officer (or Authority) in considering applications for the grant or renewal of a public carrier's permit valid between places connected by railway—

(a) should normally grant or renew a permit valid up to a distance of 50 miles; and

(b) Should require economic justification to be shown to his satisfaction before granting or renewing a permit valid for a distance exceeding 50, but not exceeding 100 miles;

(c) should require strong economic justification to be shown to his satisfaction before granting or renewing a permit for a distance exceeding 100 miles, but not exceeding 200 miles; and

(d) should grant or renew a permit valid for a distance exceeding 200 miles only in very exceptional cases.

Note (1). In the foregoing, the expression :—

(i) "Between places connected by railway" means between places connected by a railway route not exceeding in length $1\frac{1}{2}$ times the length of the road where there is no break of gauge in the railway connection, and not exceeding the length of the road where there is a break of gauge. Where a route originates or terminates at a place off the railway this distance and this criterion applies to the part of the route, if any, which is between places connected by railway, as defined; and a place for this purpose means in relation to a town the municipal area and elsewhere any place within a distance of three miles from any railway station;

(ii) "Economic justification" means that there is substantial and justifiable economy of time and cost to the prospective consignors or consignees including cost of packing and terminal transport (and not merely profit to the carrier) in the movement of goods by road instead of rail at the rates quoted by the applicant carrier; that the rates are reasonable, and that the economy to the prospective consignee is likely in the long run to benefit the consumer; and

(iii) "Strong justification" means that, after carefully weighing the loss of business to the railways and the repercussions on railway finances if the cases in question were multiplied, against the cost and other advantages of carriage by road of the perishable or other special goods that the applicant proposes to carry, the authority is satisfied that there will be overall economic advantage to the community.

Note (2). Normally "strong justification" will only be provable in one direction, and it should normally be a condition of long-distance permits that the operator should, in that direction, substantially carry the specific goods upon the carriage of which the grant of the permit is justified, and no others. If adequate justification is shown in the outward direction, it will not normally be possible or desirable to restrict the classes of goods carried on return journeys, since it is necessary that reasonably fully return loads should be obtained if the operation is to be economic. The authority should however take into consideration the losses of railway traffic in both directions in weighing the advantages of road transport of certain classes of goods in one direction.

-PRIVATE CARRIERS' PERMITS.

9. Private carriers' permits should normally be granted without question provided that the Transport Authority is satisfied as to the *bona fides* of the application. In

order to prevent abuses the Transport Authority in granting a private carrier's permit should, save in exceptional cases where this is physically difficult, specify in the permit the description of the goods to be carried and route or routes of the area of validity of the permit.

SPECIAL PROVISIONS APPLICABLE TO NATIONAL HIGHWAYS.

10. (1) Subject to arbitration in the case of any dispute, while in respect of roads in general the final authority in the administration of the law or the interpretation of this Code is that of or under the Provincial Government, cases of transport on a National Highway will be decided, under the law and in the spirit of this Code, in accordance with the general or specific advice of the Central Government.

(2) In particular, the Provincial Transport Commissioner (or Authority) should not grant or renew any public carrier's permit for a distance exceeding 100 miles along a National Highway between places connected by railway without the consent, general or specific of the Central Government.

Item 2.—Motor Transport and Road-Rail Relations (including Re-settlement).

At its meeting in January 1945 the Committee stressed the importance of the development of motor transport and recommended as essential that road and rail transport should be co-ordinated. By a narrow majority the Committee agreed that, to this end, among other steps, railways should seek to acquire a substantial interest in passenger bus companies. The Committee also stated certain broad principles for the regulation of transport of goods by road for short and long hauls and decided that the questions of the nature of the Transport controlling authority in the Provinces and the establishment of an appellate authority to arbitrate in disputes and differences, should be further examined.

2. (1) As regards the first recommendation, most Provinces have accepted the principle of the formation of joint companies primarily for the operation of road passenger services; and of those who have accepted the principle, six Provincial Governments have indicated that they will take a financial share in the Companies in varying proportions. Two companies have been floated and are operating. Negotiations are proceeding for the formation of others.

(2) The Committee observed that where the appointment of Managing Agents for those companies could not be avoided there should be provision for acquisition at a fair valuation by the Central or a Provincial Government after the expiry of 10 or 15 years. In the case of the two companies that have been floated, negotiations had already reached a stage at which the Provincial Government (who have 25½ per cent. of the capital) were unable either to resile from the arrangement made with managing agents or to introduce any acquisition clause. In no other case under negotiation is it proposed to employ managing agents. Among the proposals to amend the Motor Vehicles Act is one giving the Provincial Government power to acquire an undertaking on notice given at intervals of six months after the expiry of five years from the date of grant of the permit.

3. On the second recommendation referred to in para. 1 above the Central Government have forwarded to Provincial Governments for discussion at the meeting of the Transport Advisory Council a draft "Code" of Principle and Practice in the regulation of motor transport, setting out the criteria to be agreed and the administrative machinery necessary for securing real and effective co-ordination between rail and road transport; and proposing an appellate or arbitration tribunal. A copy of the paper is attached. The Committee will be informed of the outcome of the discussions in the Council.

4. Plans for the employment of ex-Service men in road transport are under consideration. It seems that for several years the volume of civil transport which the country can economically absorb will not suffice to afford employment to any large

proportion of the ex-service drivers and others available. Proposals for the formation of co-operative groups of ex-service transport workers have not been favourably received by the majority of Provincial Governments, and further discussions are proceeding. Another means is to reserve a proportion of all future vacancies in transport concerns for ex-service men together with the enforcement of reasonable conditions of employment for all transport workers. The legislation necessary to give effect to these measures is under consideration. The outcome of the discussion of these matters in the Transport Advisory Council will be reported to the Committee.

Item 3.—Post-War Railway Plans.

In the past when the construction of railway lines was undertaken in India, the needs of densely populated areas and centres of industry or commerce, strategic requirements, and measures to combat famines received first consideration. Even so, it was not possible to meet all demands with the limited resources—both financial and physical—at the disposal of the authorities concerned. Many areas, though potentially rich, were so situated that railway facilities remained inaccessible to them. The development of such areas, the desirability of a more uniform dispersal of industries over the country, as a whole, and further strategic requirements make it necessary to undertake the construction of new railway lines now, even though, for some considerable time to come, these lines may remain unremunerative. It cannot, however, be said that railways are, under present conditions, indispensable for the industrial and economic development of a particular locality. In many cases, a good network of roads can provide alternative means of communication at very much less cost. In the interests, therefore, of the conservation of national resources, very careful consideration must be given to ensuring that railway construction is undertaken only in those cases where a road scheme, howsoever well-planned, will be inadequate to serve a particular area. Railway constructions are, accordingly, being considered only where roads could not be effective substitutes for railways for the economic development of the tract.

2. The railway construction plan for the post-war period is shown on the attached* map. The red lines represent new constructions, restoration of dismantled lines, and some conversions from one gauge to another. It is estimated that when all these projects have been completed there will be few areas of importance more than 30 miles away from a railway line. This plan has been adopted after full consultations with Provincial Governments and after taking into consideration the road plan of each particular area.

3. These new constructions, when completed, will amount to a total of about 4,000 miles, of which about 2,800 miles, at an estimated cost of Rs. 60 crores, are expected to be completed within the first seven post-war years.

4. The plan for construction of new railways in Indian States has not yet been finalised. It will be put up to the Committee on a suitable occasion in the near future.

Item 4.—Report of the Port Development Committee.

An inter-departmental committee was set up in February 1945 with the following terms of reference ; to report on—

(a) the present capacity of India's major ports, as compared with their capacity in 1942 ;

(b) whether the present capacity of these ports will be adequate in the years immediately succeeding the termination of the War against Japan :

(c) the need for other large or moderately large ports for dealing with India's overseas trade requirements.

Though the committee's answer to item (b) was in the affirmative, they considered that, as the assumptions on which this conclusion was based might not be justified by future events, detailed plans for the extension of the ports of Madras, Cochin, Vizagapatam and Chittagong should be prepared to meet eventualities. This recommendation has been accepted and the ports concerned requested to report the action taken or in train to implement this recommendation. As regards the larger ports of Calcutta, Bombay and Karachi, the view of the committee was that these ports have immense possibilities in the way of space and other facilities and are financially in a strong position so that they can themselves execute improvement schemes without difficulty. Actually these three ports have already schemes of this nature in hand and the general outlines of these schemes are being obtained from them.

On the third item of the terms of reference, the committee limited themselves to the following comments :—

(a) More deep-sea ports may be needed on the coast of India to meet anticipated expansion of trade, and in particular one of easy access to large ships on the East Coast ; but the figures of expected trade do not by themselves justify more ports ;

(b) requirements can be met either by expansion of present ports or by development of new ports, location depending on the industrial plan ;

(c) if and when new ports are planned they should be developed in the first place as minor ports, mainly for the use of coastal traffic, before being laid out to meet the demands of large-scale overseas trade.

The report* has been sent to maritime Provincial Governments and Indian States interested for comments and for reference in connection with their plans for post-war development of minor and State ports. The assistance of the Central Government has already been requested in regard to the development of Cocanada, Sika, Veraval and Bhatkal ports and when all the replies are received, giving a full picture of the plans of State and Provincial Governments, a policy decision will have to be taken in the light of the industrial plan, weighing carefully the economic aspects of expanding existing major ports against that of developing new deep sea ports, and having regard on the East Coast to the problem of sand travel and dredging cost. To investigate fully the suggestions made in paragraph 15 of the report, it will, therefore, be necessary to appoint a technical committee which will, among other things, give authoritative guidance on the several proposals of the Provincial and State Governments. Investigation of the question of a deep sea port of easy access to large ships on the East Coast will be the main function of the committee.

In addition to the major port authorities and Provincial and State Governments who have already been consulted, it is proposed to invite the opinion of Chambers of Commerce on the report.

Subject to approval of the lines on which action has so far been taken, the questions for consideration are :—

- (1) appointment of a technical committee, and
- (2) circulation of the report to Chambers of Commerce for opinion.

APPENDIX II.

CONCLUSIONS OF THE EIGHTH MEETING OF THE TRANSPORT ADVISORY COUNCIL.

A.—Railway Development.

1. The Council notes the provisional proposals for railway construction placed before it and that Provincial and State Governments will be consulted as to precise alignments as the detailed surveys are taken up and as to priorities of execution.

*B.—Road Transport and Road-Rail Co-ordination.*1. *The "Code".*

(1) The Council by a majority recommends for formal acceptance by the Provincial and Central Governments the Code of Principle and Practice (reproduced at pages 132-5) and desired that consideration be given by the Central Government to the improvement of the machinery for consultation with Provincial Governments on railway matters, referred to in clause (5) of the preamble.

(2) During the first year until experience has been gained of the working of the Code, Transport Authorities should scrutinize with particular care applications for grant or renewal of public carrier permits for distances exceeding 50 miles and not exceeding 100 miles between places connected by railway.

2. *Amendment of the Motor Vehicles Act.*

(1) The Council accepts the scheme of amendments of the Motor Vehicles Act as circulated and subsequently discussed in the meeting with Provincial Motor Transport Controllers and desires that the draft Bill incorporating the proposals should be circulated to Provincial Governments for opinion and that Provincial Governments should be given not less than one clear month from the date of the receipt of the amending bill (three copies) in which to communicate their views.

(2) The majority of the Council agreed that there should be power for the Provincial Government to direct that the functions of the Provincial and Regional Transport Authorities in respect of permits for goods vehicles should be discharged by a single officer. Three Provinces favoured the total substitution of a single officer for the composite Regional authority.

3. *Employment of Ex-service men in Motor Transport.*

(1) The Council considers that the organisation of ex-service men into co-operative societies for the operation of motor transport on any substantial scale is impracticable.

(2) In view of the time which must elapse before the proposed amendments to the Motor Vehicles Act can become law the Council recommends that the Governor-General be moved to promulgate an Ordinance empowering Provincial Governments to make rules requiring transport operators to reserve a specified proportion of all future vacancies in their undertakings for ex-service personnel at rates of pay not less than those prevalent in the locality for workers of different categories.

(3) The Council considers that—

(a) the hours of work provision contained in Section 65 of the Motor Vehicles Act should stand unchanged at present,

(b) proposals for legislation in respect of conditions of service for road transport workers generally should be circulated to Provincial Governments for opinion as soon as possible.

C.—Road Development.

1. *National Highway Scheme as set out in Government of India War Transport Department letter No. PL-13(20), dated September 14th, 1945.*

(1) Subject to :—

(a) the necessary negotiations being concluded with the Indian States concerned ;

(b) further discussions between the Central and Provincial Governments regarding the omission of certain roads from the scheme and the revision of the alignments in certain cases ;

(c) an amendment of Clause (ii) under paragraph 6 of the letter above cited, to provide that expenditure on National Highways will be subject to the technical approval and financial sanction of the Central Government or Central Road Board;

(d) the substitution of "10" for "7½" in respect of the agency charges proposed in sub-para. (iii) of para. 6 of the letter above cited; and

(e) the reservation [in respect of Class (vii) under para. 6 of the letter above cited] that, while a primary object of the road development plan is to extend the benefit of good roads to the villages, it may be necessary in certain Provinces first to develop Provincial Highways and Major District roads to afford access;

the Council recommends for acceptance the National Highway Scheme and the conditions set forth in paragraph 6 of War Transport Department letter above cited as amended.

The Council notes that the allocations from the Central Road Fund to Provincial Governments will be discontinued after the distribution of the revenue accruing to the Fund during the financial year 1946-47, and accepts as reasonable the interim arrangements set out in para. 2 (2) of the letter above cited.

Note.—The majority of the representatives of the Provinces while agreeing to the abolition of the Road Fund desired to place on record their opinion that, in view of their increasing liabilities for road maintenance in the future, consideration should be given to the necessity of assuring equivalent resources, from the petrol tax or otherwise, for the particular purpose of road expenditure in the Provinces as part of Central assistance after the first post war *quinquennium*.

2. *The Employment of Ex-service men on Road Construction.*

(1) The Council, having discussed various schemes for the employment of ex-service men in road and other public works construction, recommends for immediate examination the proposals of the Committee of Chief Engineers of the 23rd of October (reproduced at pages 135-8) and considers—

(a) that the urgency of the problem allows of no delay in the adoption and implementation by Provinces where the problem of ex-service men is expected to be acute and definite plans do not exist of one or more of the schemes discussed therein; and

(b) that, subject to examination of the financial implications in each case—

(i) the scheme which can most quickly be put into effect and involves the least number of additional personnel for supervision appears to be the special contract scheme which aims at combining the use of the organisation of expert contractors with the securing of reasonable conditions of employment for ex-service men;

(ii) the next best alternative appears to be the formation of co-operative labour contract societies on the Madras model.

(2) The Council therefore recommends that, in Provinces where there is no comprehensive and better scheme ready to be put into effect at short notice, the Provincial Government should,—

(a) work out the special contract scheme in full detail; and

(b) set up immediately, as an experiment to be expanded if successful, the skeleton organisation and administrative arrangements necessary to bring into existence at once a Co-operative Labour Contract Society of not less than 1000 members for which work should be earmarked, giving suitable and continuous employment for not less than six months.

(3) The Council further recommends that the offer of the Central Government to defray 50 percent. of the difference in the cost of work between normal contract work and work under the Labour Department Group Scheme should be extended to any scheme proposed by a Provincial Government and approved by the Central Government, designed to make special provision for the absorption of ex-service men.

3. State of preparedness and the Proposals for Financing of Roads other than National Highways.

(1) The Council noted that the schemes of road reconstruction (war arrears), and of improvement and construction, for which estimates upon which contracts could be let are ready or are expected to be ready within the next six months, are in the opinion of the Provincial Governments sufficient to meet the unemployment and anti-slump developments as they arise.

(2) The Council also noted that to a greater or lesser extent the completion of the preparation of these schemes and their subsequent execution are dependent upon the subordinate staff on the one hand and plant, particularly road rollers, on the other being available in a far larger measure than is visible at present. The Council, therefore, concluded—

(a) that War Transport Department should, as soon as information is available as to the prospects of obtaining rollers and other plant from the U. K., from Army surpluses in Europe, Army, and U. S. surpluses in India, from Australia, from the United States of America and by Indian manufacture, should circulate a statement of the position to Provincial Governments in order that their plans might be altered as necessary to suit the plant likely to be available; and

(b) that since in the next two or three years steam-rollers are likely to be the bottleneck, alternative forms of construction such as light concrete surfaces or ordinary construction using bullock-rollers will have to be given special consideration.

(3) The Council noted the information furnished to them that—

(a) Rollers which are the property of the Army in India and of U. K. origin and which are at present in use by Provincial P. W. Ds. will not be recalled.

(b) Rollers which are on L/L to the Army in India and are in use by Provincial Governments will not for the present be recalled on the condition that they are used for military purposes only.

(c) All but one quarter of the rollers borrowed by the Army from Provincial P. W. Ds. will be returned by the end of January, the one quarter being the irreparable rollers.

(d) That if arrangements can be made for the repair in Ordnance Workshops of rollers already returned from the Army or of those belonging to Provincial Governments and Local Bodies, the Central Government would be prepared to meet the entire cost of these repairs in Ordnance Workshops as part of their contribution to anti-slump expenditure.

(4) The Council further noted the acute shortage of survey and mathematical instruments and decided that this matter also should be examined by Chief Engineers and War Transport Department in consultation with Engineer-in-Chief's Branch and Disposals Directorate with the object of instituting an immediate drive to ascertain availability in the Army and if possible to short-circuit the procedure for distribution, from Army survey units, etc., which are being disbanded, to Provinces in immediate need of such equipment.

(5) The Council further recommended that these matters should be discussed at a subsequent meeting between Chief Engineers, War Transport Department, and representatives of Engineer-in-Chief's Branch and M. G. O.'s Branch.

4. Engineering Personnel.

(1) Provided that the Central P. W. D. can release the officers borrowed from Provincial Public Works cadres the general position is that the shortage of engineer officers is not such as to call for special measures such as the creation of a Central pool.

(2) All Provinces are in need of surveyors, draftsmen, and subordinates, many of whom are employed in the Army, and it was agreed that this matter should be further examined by Chief Engineers and War Transport Department in consultation with Engineer-in-Chief.

THE DRAFT CODE

(As approved by the T. A. C.)

PREAMBLE.

1. The Central and Provincial Governments through their representatives in the Transport Advisory Council, and subject to formal ratification, having regard to—

(1) Their common interest in the healthy development of all means of transport and in particular of transport on improved district and village roads,

(2) The necessity for the future prosperity of the country of developing the uses of all forms of transport in their appropriate functions, of avoidance of wasteful duplication and hence of an effective policy of co-ordination,

(3) The requirements that the interests of individual users and providers of transport should be subordinated to the common good; and that each means should be regulated in relation to the other and to the whole in order to permit safe, adequate, economical and efficient services and foster sound economical conditions in transport including fair wages and equitable working conditions,

(4) The accepted policy of full development of public passenger services, and short-haulage of goods, by road, whether rail facilities exist or not,

(5) The facts that with unimportant exceptions railways are publicly owned and controlled; and that their control by the Central Government will be exercised in close consultation with the Provincial Governments in respect of both the improvement of the services offered by the Railways to the public and of the greatest possible measure of co-ordination with other forms of transport, and to,

(6) Their common expectation that the next five years will be critical in the future of land transport and their agreement that developments of motor transport must be kept within the fields of planned control,

Hereby agree that in respect of road and rail co-ordination, motor transport will be controlled under the directions of Provincial Governments, and subject to the provisions of the Motor Vehicles Act and Rules thereunder as from time to time amended, in accordance with this Code of principles and practice as amended by the Council from time to time.

ADMINISTRATIVE MACHINERY AND PROCEDURE.

2. (1) Each Provincial Government will, at its own cost establish and maintain the offices necessary for the effective administration and enforcement of the law as interpreted by this Code and will by the means of Advisory Committees or in other suitable ways provide for the imparting of all reasonable information to representatives of the interests affected as to the general policy of planned transport and the reasons therefor and for the ventilation of the views of users and providers of transport, equal opportunity being given to the providers of the several means of transport to state their views.

(2) In particular, each Provincial Government will create a wholetime office of Provincial Transport Commissioner, or in the case of Assam, the North-West Frontier Province, Sind and Orissa of a wholetime Deputy Provincial Transport Commissioner working under a part time Commissioner. Subject always to the general control of the Provincial Government the Provincial Transport Commissioner will be the Chief Transport Administrative Officer in the Province, Chairman of the Provincial Transport Authority under the Motor Vehicles Act, and be competent to give such directions as may lawfully be given to the Regional Officers and Chairmen of the Regional Transport Authorities under that Act. Where there is no wholetime Provincial Transport Commissioner the Deputy Provincial Transport Commissioner will be a Member and the chief executive officer of the Provincial Transport Authority.

(3) Without prejudice to the ultimate authority of the Central and the Provincial Governments respectively, the closest relations shall be maintained and direct correspondence be recognised between the Provincial Transport Commissioner and the officer

so authorised by the Central Government (for the present the officer who is Chairman of the Central Road Board). The Central and Provincial Governments will issue to their respective officers such instructions as they consider necessary regarding matters upon which their orders must be obtained. Subject to such instructions, the Central Government officer shall be empowered to discuss any matters with the Provincial Commissioners and to convene such general or zonal meetings of those officers as he may deem to be necessary.

TRANSPORT ADVISORY COUNCIL

3. (1) The Central Government will, as far as circumstances permit, convene meetings of the Transport Advisory Council not less frequently than at dates approximately twelve months following the previous meeting. Meetings will be convened at shorter intervals if there is at any time a general wish to that effect or if the business to be transacted render that necessary.

(2) Except on grounds of great urgency, no important issue of transport policy of general application will be decided by the Central or a Provincial Government and, in particular, no departure will be made from the provisions of this Code, without reference to a meeting of the Council, the conclusions of which are subject to ratification of the several Governments.

ARBITRATION.

4. (1) Any dispute between Provincial Governments, or between the Central and a Provincial Government arising out of the administration of or under the Motor Vehicles Act, or out of the interpretation of this "Code", shall on the motion of either party to the dispute be referred for decision to an Arbitration Board consisting of one representative of each party and a third Member, who shall be the Chairman, selected jointly by the other two Members.

(2) The Arbitration Board will decide its own procedure in each case. In the event of there being more than two parties to the dispute and of the Board being equally divided on its decision the Chairman shall have a second or casting vote.

(3) Expenses of representatives and witnesses will be borne by each party. The cost and expenses of the Board will in each case be divided equally between the parties.

PASSENGER TRANSPORT.

(1) *Joint Companies.*

5. (1) Provincial Governments and their officers will afford all reasonable assistance to railway administrations in the formation of joint road rail companies for the operation of road transport in accordance with the accepted policy of the Provincial and the Central Governments.

(2) All reasonable opportunities will be afforded to existing operators on the route or routes concerned to become shareholders in the joint road rail or tripartite Companies at the time of floatation.

(3) Such joint road rail or tripartite companies will in like degree to any other road operators be subject to all of the relevant provisions of or under the Motor Vehicles Act and to the interpretation of those provisions in accordance with this Code.

(4) On routes on which joint road rail or tripartite Companies have been formed no new permits will be issued to other parties (unless in the opinion of the Transport Authority the service provided by the Company is inadequate) and it is recognised that the joint road rail or tripartite Company will, save in exceptional cases, ultimately by absorption of or amalgamation with any pre-existing interests remaining on the route or routes attain to a monopoly.

(2) *General.*

6. (1) In considering any application for the grant or renewal of a regular stage carriage permit, the Transport Authority concerned will hear and give due weight to any representation made by any interest affected, including the railway serving the area.

(2) Stage carriage permits should be in a form specifying the service to be performed, and the Transport Authority which granted or renewed the permit should be empowered to levy deterrent fines for default.

(3) In granting or renewing a stage carriage permit for a distance exceeding 50 miles between places connected by railways, the Transport Authority should have regard to the adequacy of the existing or prospective service between the two places afforded by the railways.

GOODS TRANSPORT.

7. (1) Railways (and Steamer Companies) or their accredited contractors should normally be granted permits to operate collection and delivery services within such a radius of any railway station (or Steamer Wharf) not being more than ten miles as may be considered reasonable by the Authority, having regard to all the circumstances.

(2) Applications by railways, or by joint concerns in which railways have a financial share, for public carrier permits between places connected by railway or complementary to a railway shall be given equal consideration by Transport Authorities with due regard to the need and the benefits of the co-ordination which should result, to that given to applications from other persons.

(3) (a) Every public carrier's permit should normally include authorization to carry any goods anywhere within a "free zone" conforming to the size and configuration of the local traffic area. (*Note.*—This might be roughly equivalent to a circle of not less than 3 miles radius from the centre of a small town, increasing to 15 miles in the case of a very large city.)

(b) A public carrier's permit valid for a distance not exceeding 50 miles from the centre of the town in which the operator has his place of business should normally be expressed to include all routes lying within some conveniently defined sector of a circle of approximately 50 miles radius from that centre, or specified routes lying within the circle.

(c) A public carrier's permit valid for a distance exceeding 50 miles from the centre should normally be expressed as valid outside the "free zone", and the "sector" if any, for a specified route or routes only. "Free zones" may if necessary be added at other towns on the route or routes.

GRANT OR RENEWAL OF PUBLIC CARRIERS' PERMITS.

(4) A Regional Authority should not, save in accordance with the general or specific instructions of the Provincial Transport Commissioner|Authority grant or renew any public carrier's permit valid for a distance exceeding 50 miles between places served by railway; and should not in any case grant or renew such a permit valid for a distance exceeding 100 miles between places connected by railway, but should refer the application to the Provincial Transport Commissioner|Authority.

(5) Subject to a hearing having been duly accorded to the interested parties, including the railway administration concerned, and to due regard having been had to the needs of the area for transport, to the interests of existing road operators and to the need for co-ordination between road and rail, the competent Transport Officer|Authority in considering applications for the grant or renewal of a public carrier's permit valid between places connected by railway—

(a) should require strong economic justification to be shown to his satisfaction before granting or renewing a permit for a distance exceeding 100 miles, but not exceeding 200 miles; and

(b) should grant or renew a permit valid for a distance exceeding 200 miles only in very exceptional cases.

Note.—(1) In the foregoing, the expression :—

(i) "Between places connected by railway" means between places connected by a railway route not exceeding in length 1½ times the length of the road where there is no break of gauge in the railway connection, and not exceeding the length of the

road where there is a break of gauge. Where a route originates or terminates at a place off the railway this distance and this criterion applies to the part of the route, if any, which is between places connected by railway, as defined; and a place for this purpose means in relation to a town the municipal area and elsewhere any place within a distance of three miles from any railway station;

(ii) "Strong economic justification" means that, after carefully weighing the loss of business to the railways and the repercussions on railway finances if the cases in question were multiplied, against the cost and other advantages of carriage by road of the perishable or other special goods that the applicant proposes to carry, the authority is satisfied that there will be overall economic advantage to the community.

Note (2).—Normally "strong economic justification" will only be provable in one direction, and it should normally be a condition of long-distance permits that the operator should, in that direction, substantially carry the specific goods upon the carriage of which the grant of the permit is justified, and no others. If adequate justification is shown in the outward direction, it will not normally be possible or desirable to restrict the classes of goods carried on return journeys since it is necessary that reasonably full return loads should be obtained if the operation is to be economic. The authority should, however, take into consideration the losses of railway traffic in both directions in weighing the advantages of road transport of certain classes of goods in one direction.

Special Provisions Applicable to National Highways.

8. (1) Subject always to the provisions of clause 4 (1) the Provincial Government will in giving directions to the Provincial Transport Authority regarding the control of transport on National Highways, pay due regard to the advice of the Central Government.

(2) In particular, the Provincial Transport Commissioner (or Authority) should not grant or renew any public carrier's permits for a distance exceeding 100 miles along a National Highway between places connected by railway without prior consultation with the Central Government.

EMPLOYMENT OF UNEMPLOYED EX-SERVICE MEN AND OF LABOUR DISPLACED FROM WAR INDUSTRIES.

1. This question was discussed at length on the 22nd October and a Committee consisting of the following was formed on the 23rd October to go into the matter in further detail :—

Mr. A. W. H. Dean, Chief Engineer, Central P. W. D., New Delhi.

Mr. H. R. Dogra, Chief Engineer, Communications, Madras.

Mr. V. Chary, Chief Engineer, Irrigation, Madras.

Mr. J. Chambers, Chief Engineer, C. & W., Bengal.

Mr. W. F. Walker, Chief Engineer, B. & R., U. P.

Mr. H. A. Harris, Chief Engineer, Punjab.

Mr. T. Foy, Chief Engineer, Irrigation, Punjab.

Lt.-Col. Lang Anderson, Chief Engineer (designate), N.-W. F. P.

Mr. R. Narayanswamy, Dy. Financial Adviser, Delhi.

Mr. G. M. McKelvie, Consulting Engineer (Roads), Simla.

2. The Committee decided that it would not be either feasible or advisable for Provinces to confine themselves to any one system of organizing labour or works in order to provide the maximum employment for demobilized men seeking work and for other displaced personnel. They also agreed that in no circumstances would it be possible to so organize works that as much as Rs. 200|- crores or even half that sum could be spent on roads within the next two years as there was neither the staff nor machinery available to execute works on this scale.

3. Five systems of organizing labour to carry out large scale road construction were examined :—

(i) The Labour Department Scheme ;

(ii) "Co-operative Labour Contract Societies Scheme"—a modification of the scheme suggested by the resettlement Directorate.

(iii) A "Special Contract Scheme".

(iv) The "Depreciating Gratuity Scheme"; and

(v) The "Labour Depot" Scheme.

4. *The Labour Department Scheme* was not favoured by any Province during the discussion on the 22nd October and is not recommended for adoption by the Committee. Certain excellent features of this scheme, however, have been incorporated by the Committee in the other schemes which they recommend for adoption.

5. (i) *A Co-operative Labour Contract Societies Scheme* has been worked out recently in Madras in consultation with the Registrar of Co-operative Societies. This is based on the Scheme suggested by the Resettlement Directorate and has already been tried on a small scale with satisfactory results.

(ii) Under this scheme, demobilized men seeking work will join a Co-operative Society to which they will each subscribe some capital—say Rs. 50/- each. The Society will borrow the remainder of the funds it requires from a Co-operative Bank and it will take contracts for public works in exactly the same way as an ordinary contractor would do. The Society will purchase materials, engage local labour, and take such other steps as are necessary to fulfil its contract in exactly the same way as an ordinary contractor would do.

(iii) It is not expected that these Societies however efficiently they may be managed and however hard-working and skilled may be their members, will always be in a position to compete with ordinary contractors when tendering for public works because under present-day conditions much of the labour employed by contractors is little more than sweated labour. When contracts are awarded, therefore, preference will be given to the Societies up to a limit which will not exceed 15 per cent. of the estimated cost of the work if it were done at ordinary contract rates. This amounts to a Government subsidy to these societies and the Committee recommends that half the cost of such subsidies should be borne by the Provincial Governments and half by the Central Government, the latter half being of course taken into account in determining the grants to Provinces.

(iv) One great advantage of the Co-operative Labour Contract Society Scheme is that the Societies will be controlled in law by the Registrar of Co-operative Societies, their accounts will be officially audited, and the members will be governed by a well tried system of rules and regulations. The Societies will therefore be in a position to purchase their own materials, engage additional labour to help them with their work and see that the members perform their fair share of work and partake of a fair share of the proceeds of any contract they undertake.

(v) The Scheme has not yet been worked out in full detail but Messrs. Dogra and V. Chary, Chief Engineers of the Madras Province, promised to circulate to all Provinces a detailed note on the scheme at a very early date.

6. (i) *A Special Contract Scheme* was then considered by the Committee as it was accepted that it would not be wise or expedient to try to cut out altogether the doing of work by contract. There is a vast store of knowledge and experience acquired by contractors of which full advantage should be taken. Indeed, it will not be possible to undertake the vast expansion of public works contemplated throughout India unless full advantage is taken of all the knowledge acquired in the past by engineers, by technicians, by artisans, and not least by contractors.

(ii) The Committee recommends that, when the labour exchanges report there is a body of ex-service men and displaced personnel seeking work in any area, contracts

for public works should be let in the area under special conditions which will ensure that the ex-service and displaced men are offered employment on reasonable terms. To ensure this, either of the following courses may be adopted :—

A. 1.—The “Notice Inviting Tenders” will specify that so many men of such and such categories, skilled and unskilled, and recruited from the labour exchange shall be employed for so many days by the contractor.

2. The extra cost of the contract arising from the insertion of this clause in the Notice Inviting Tenders will be calculated either by calling for alternative tenders without this Clause or by comparing the tenders received with the estimated rates, or otherwise and will be noted in the contract.

3. This extra cost will be deducted from the contractor *pro rata* to the extent to which he fails to employ men from the labour exchange in accordance with his contract on the basis of a Certificate from the labour exchanges checked against facts as ascertained by inspection and enquiry. (In addition to this deduction, there shall be a penal deduction at the discretion of the officer empowered to award the contract—but not exceeding 10 per cent. of the value of the contract.)

4. A further condition of the contract will be that no labourer shall on any working day be paid a lower wage than that which he would earn if his outturn were 50 per cent. of the standard outturn of a workman of his class and further that he shall be paid this minimum wage on any day on which he is idle for no fault of his own. This minimum wage for each class of workman will be scheduled and the schedule attached to the contract.

5. The contract shall specify that the following amenities for labour shall be provided by the contractor.

(a) Portable and abundant water supply ;

(b) Putting at so many sq. ft. or cu.ft. per labourer ;

(c) Latrines and sweepers at so many per cent. of workmen ; and

(d) A food shop selling food grains and other necessities at prices to be specified in the contract.

6. The following amenities shall be supplied by the employing department (Government),

(a) Medical attention at the rate of one Assistant Medical Officer per 1,000 workmen ;

(b) Schools for children ;

(c) Anti-malarial measures ; and

(d) Such other amenities as seem reasonable to the Provincial Government.

B.—Under the alternative scheme the “Notices Inviting Tenders” will specify the numbers of ex-service men and displaced personnel recruited through the nearest labour exchange that shall be employed on the work. The contract will contain a penalty clause specifying the penalty that shall be imposed if the full number are not employed for the period specified in the contract. The penalty for failure to employ any man for the full period specified in the contract will be equivalent to the minimum wage that would have been earned by that man as defined in Clause A. 4 above for the period he was not employed.

The other conditions under the Alternative Scheme will be the same as listed under A. 1 to 6 above.

7. The *Depreciating Gratuity Scheme* suggested by the N.W.F.P. was discussed. It was considered by several members that this was an attractive scheme in view of the fact that it would ensure that ex-service men would be temporarily compensated for their lack of skill in professional civil work until such time as they

would have a fair chance to acquire that skill. If this scheme were adopted, it would not be necessary to make any other special provisions in Public Works contracts for the employment of ex-service men.

(ii) The Scheme is, however, not directly related to providing work for ex-service men and therefore does not strictly come within the purview of the Committee. Most of the members however wished it to be placed on record that they considered the scheme, duly modified as necessary, worthy of careful examination by the Central and Provincial Governments. The Dy. P. A. (C) regarded the scheme as objectionable in principle, as it was not related to employment and he did not consider that it would be acceptable to the Finance Department.

8. *The Labour Depot Scheme* is being tried as an experiment by the United Provinces Government who will employ 1000 men on road work and 2000 men on irrigation work for a period of several months. The Provincial Government intend to ask the Central Government to bear half the loss, if any, incurred on this experiment, the total loss being limited as far as possible to Rs. 10,000/-; if it appears that the loss is going to exceed this figure, the experiment will be stopped. The Committee decided to await the result of the U. P. experiment before making any recommendations on this scheme.

9. *Conclusions and Recommendations.*—

The Committee recommends that every Province should arrange to form at least one Co-operative Labour Contract Society as soon as the Chief Engineers, Madras circulate full particulars of the Scheme as finally approved in that Province. Each Society should consist of at least 1000 members and should be modelled as closely as possible on the Madras pattern having regard to the local conditions in each Province. The Society should be placed under the control of the Provincial Registrar of Co-operative Societies. A contract should be awarded to the Society thus formed of sufficient scope to keep the Society fully employed for at least six months. The extra cost of executing work by the agency of these societies as compared with executing the work by ordinary contract should be shared equally by the Provincial and Central Governments.

